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FIRST ANNUAL REPORT
OF
THE PENSION COMMISSION OF ONTARIO
FOR THE PERIOD TO 31 DECEMBER, 1964

FIRST ANNUAL REPORT OF THE
PENSION COMMISSION OF ONTARIO

This is the first annual report of the Pension Commission of Ontario and covers the period from the commencement of the work of the Commission to the end of December, 1964.

The Pension Commission of Ontario,

454 University Avenue, Toronto 2, Ontario.

MEMBERS OF THE COMMISSION

Mr. Laurence E. Coward, Chairman,
Professor Donald C. MacGregor, Vice-Chairman,
Mr. Alfred H. Cowling, M.P.P.,
Mr. Jules E. Fortin,
Mr. Gordon Milling,
Mr. D'Alton S. Rudd,
Mr. Leonard F. Wills

Superintendent of Pensions

Mr. J. Wells Bentley,

Senior Pension Analyst

Mr. Arthur H. Wakefield.

FIRST ANNUAL REPORT OF THE
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This is the first annual report of the Pension Commission of Ontario and covers the period from the commencement of the work of the Commission to the end of December, 1964.

Established under The Pension Benefits Act, 1962-63, the Commission began to function on August 1, 1963. The Commission is responsible to the Provincial Treasurer and its organisation, functions and powers are set forth in the Act. The Act requires that the Commission "shall be composed of not fewer than five and not more than nine members as the Lieutenant Governor in Council from time to time determines" and that "the Lieutenant Governor in Council shall appoint the chairman, the vice-chairman and the other members of the Commission, each of whom shall hold office for a term of three years ...". Members of the Commission are to retire in rotation. To introduce this arrangement one-third of the initial appointments were for one year, one-third for two and one-third for three years. In July 1963 six members were appointed. Before the end of the first twelve months a seventh was appointed and the two whose one-year periods had expired were reappointed for the full term.

The purposes of The Pension Benefits Act, which the Commission administers, are to improve the portability of pension benefits and to enforce certain standards of solvency. In order to enhance the retirement security provided by private pension plans, the Act seeks to preserve for older employees the pension rights that people commonly forfeit when they change jobs. In preserving these rights the Act is expected, at the same time, to remove a penalty on the mobility of long-service employees and to reduce a possible impediment to the employment of older workers.

All pension plans of employers, all or part of whose employees come under the province's jurisdiction, are affected by the Act. The employer may be a private business, an institution or a public body such as a municipality.

In Canada, under the constitutional division of powers between the provincial governments and the Government of Canada, the regulation of pension plans is primarily under provincial jurisdiction. By amendments to Section 94 A of the British North America Act, the Government of Canada has been given the power to legislate on old age, survivors and disability pensions, but the regulation of private pension plans remains strictly a provincial matter.

The Pension Benefits Act was introduced in the Legislature on March 19, 1963 as Bill 110. It received Second Reading on March 22nd and was adopted at Third Reading on April 26, 1963. It received Royal Assent under the hand of the Lieutenant Governor of Ontario on April 26th and was proclaimed in force on June 1, 1963. It appears as Chapter 103 in the Statutes of Ontario 1962-63 and is cited as The Pension Benefits Act, 1962-63. In the next session of the Legislature An Act to amend The Pension Benefits Act, 1962-63 was given First Reading on April 28, 1964, Second and Third Readings on May 7th and Royal Assent on May 8th. It came into force when proclaimed on June 30, 1964, and appears as Chapter 88 in the Statutes of Ontario 1963-64.

In moving First Reading of the original Bill in 1963 the Prime Minister, the Honourable John Robarts, recounted the background of the legislation, referring to the reports of the Ontario Committee on Portable Pensions and two provisional drafts of the Bill. He recalled that the first of the preliminary or draft bills had been

distributed for public discussion in August 1961 at the Inter-Provincial Conference at Charlottetown, Prince Edward Island, while the second, as Bill 165, had been given First Reading on April 6, 1962, with a view to further consideration only.

Regulations under Section 20 of the Act were approved by the Lieutenant Governor in Council on August 4, 1964 and December 9, 1964.

Returning to the amendments of 1964, the principal change in the Act was the repeal of Section 17. This section had required every employer with 15 or more employees who did not already have a pension plan in operation to establish one by the beginning of 1965. It also required employers who already had plans in operation and who had 15 or more employees to meet the prescribed standards of vesting and locking-in of employees' contributions, with respect to a minimum level of benefits. Section 17 was repealed in order to accommodate the Act to federal proposals, now before the Parliament of Canada, for a nationwide contributory public plan to be known as the Canada Pension Plan. In other respects both The Pension Benefits Act and the role of the Pension Commission are much as before, but with one exception: the Act now extends the vesting and locking-in provisions to all pension plans of employers regardless of the number of their employees whereas the Act formerly applied only to those with 15 employees or more. In other words, a large number of small pension plans, which formerly came under the Act mainly with respect to their solvency, are now required to comply also with the vesting and locking-in provisions of Section 18.

Because the Act has often been referred to in popular discussion as "Ontario's portable pension plan" it may be well to add that the Act does not now, and did not formerly, constitute a pension plan.

It is wholly a regulatory measure, applicable to all employer-employee pension plans. As such it sets up standards of solvency and portability and provides for enforcing these standards.

The first public action of the Pension Commission, in the autumn of 1963, was the gathering of information about pension plans covering employees in Ontario. The information sought was mainly non-financial. Approximately 7,500 plans with about 935,000 members in Ontario (after eliminating duplication) were reported.

This information has now been examined and tabulated, providing an essential starting point for the Commission's activities. The Commission greatly appreciates the co-operation of federal authorities in providing information on a voluntary basis for pension plans which are under their jurisdiction and cover employees in Ontario. These plans cover the federal Civil Service, the Armed Forces, and the CNR, RCMP and Crown Corporations. Thanks are also due to the thousands of private employers who co-operated in filling out the Information Return. Some of the resulting statistics are of wide interest. A few of them will be found in the Appendix to this report.

The next step has been registration of the pension plans, after they have been amended (where necessary) to comply with the Act. Under Section 14, each employer who has a pension plan with members working in Ontario is required to apply for registration and to file a copy of the pension plan with the application. The original date for completion of filing was January 1, 1965 but on December 17, 1964 this was extended to February 15th by an announcement from the Chairman of the Commission. The number of applications anticipated is over 7,500.

Certificates of registration are being issued in respect of each application, where in the opinion of the Commission, the pension plan is now organized and administered as the Act requires. The Chairman and members of the Commission wish to express their thanks to employers for their co-operation in complying promptly with the registration requirements.

To qualify for a certificate of registration a plan must comply with the requirements of Sections 18 and 19 of the Act. Section 18 requires, in respect of pension benefits arising from an employee's service in Ontario after January 1, 1965, that the plan provide portability (i.e. full and immediate vesting) of all such benefits in the case of employees who have had 10 years of continuous service with the employer (including service outside Ontario and service before 1965) and who have reached age 45. The purpose is to prevent forfeiture of workers' claims in the event that they leave an employer's service before retirement age. There is also a parallel restriction on withdrawal of a departing employee's contributions made after January 1, 1965, also a cause of forfeiture. On leaving his employer before retirement an employee covered by the vesting rule above may not withdraw more than one-fourth of the value of the pension accumulation whose vesting is required by the Act, and only if permitted by the terms of his pension plan.

In order to avoid misunderstanding, it should be pointed out that the Act is not retroactive. It does not, that is to say, apply to actions taken by an employer before January 1, 1965; however it does apply to action taken subsequently with respect to service prior to that date. Its vesting and locking-in provisions do not apply to the contributions made by either party before January 1, 1965 for service prior to that date, nor to the associated benefits.

Section 19 of the Act requires that a pension plan provide for funding according to tests specified in Sections 2 and 3 of the Regulations. Where there is less than full funding at January 1, 1965 or where a change in the plan creates a deficiency in future, periods of 25 years and 15 years respectively are allowed to make up the deficiency. "Experience deficiencies" are to be made up in 5 years. During 1965, and subsequently at 5-year intervals, the finances of the plan are to be reported on by a competent specialist. It follows from the above that the Pension Commission will become increasingly concerned with provisions for solvency as time goes by. At the outset a satisfactory declaration of financial condition from a source competent in pension fund valuation, together with information as to the regular annual cost and any required additional payments, will suffice.

Other aspects of solvency are the type and amount of the particular investments in which the plan's assets are placed. The rules respecting these, given in Section 15 of the Regulations, are directed to the plans whose assets are neither (1) commingled with those of insurance companies and hence under the scrutiny of the Superintendent of Insurance nor (2) held by the Canadian Government Annuities Branch. The rules aim to extend the protection of the law to all pension assets whatever the form of administration. Where investments do not conform to the rules they are to be brought into conformity within the period of approximately 5 years as stated in Section 15 of the Regulations. Here, as in the regulation of solvency already mentioned, the Commission's staff will gradually assume an increasing responsibility for enforcement of the provisions. Since financial statements do not have to be filed until January 1, 1966, the Commission's main concern at the moment is to ensure that

Ontario pension plans provide contractually in their terms for the portability of pensions, locking-in of contributions, funding and investing as required by the Act.

Section 19 of the Act also requires that pension plans shall provide for a written explanation to each member of the terms and conditions of the plan, and of his rights and duties thereunder.

Since the Commission began to function in August 1963, the Commissioners have held 37 meetings to December 31st last. As a rule the attendance has either been full or lacking only one member. At the earlier meetings the work included revision and extension of the draft Regulations, under repeated consideration prior to their appearance last August. Considerable time has also, of necessity, been devoted to the successive proposals for a federal pension plan which raised questions as to amendment of the original Act. Following this came the preparation of the draft for the amending Act.

As might be expected, a succession of borderline situations and problems of interpretation has arisen. An increasing part of the Commission's time has been devoted to establishing the principles and rules under which these cases may be brought. Thus far the Act has stood the initial tests of its practical application satisfactorily, while experience is showing the way to improvements in matters of detail.

The Commission is financed by money appropriated by the Legislature from the Consolidated Revenue Fund and by fees charged to employers for the registration of pension plans.

The expenditure of the Commission for the period from its inception to March 31, 1964 was \$27,710.71, and for the nine-month period April 1 to December 31, 1964 was \$79,842.64. Against this the

receipts from registration fees and the sale of publications amounted to \$21,083.50 up to December 31, 1964. On December 31, 1964, the permanent staff of the Commission numbered 15.

In its measures to improve the portability of pensions the Government of Ontario has recognized from the beginning the need for a high degree of uniformity in the essentials of pension law in the various provinces. In the absence of uniformity a business enterprise having employees in more than one province might be obliged to set up separate plans. With a view to avoiding conflicting laws the other provinces have been kept informed of developments in Ontario. The subject has been mentioned, for example, at successive conferences of provincial premiers, beginning in 1961. In addition, the other provincial governments were invited to send observers to public hearings of the Ontario Committee on Portable Pensions, held in Toronto in September, 1962, and since that date closer contact has been maintained.

In August of last year the governments of the other provinces were invited by the Prime Minister of Ontario to attend an inter-provincial conference on uniform pension legislation. The conference, which took place in Toronto on October 16, 1964, was attended by twenty-one representatives from the other nine provinces and seven observers from the federal government. In the words of the ensuing communique it was agreed "that a model uniform pension act should be drafted for study. The representatives agreed to recommend the formation of an interprovincial committee with a secretariat in Toronto, to continue studies on portable pension legislation".

To this end the Pension Commission of Ontario agreed to prepare, with its legal advisers, proposals for a Uniform Pension Act.

In December 1964 a draft Act was forwarded to the participating governments and preparations were made for a further interprovincial conference to be held early in the new year. The proposed legislation follows in its essential features the present Ontario Act.

Based on experience gained by the Commission, amendments have been proposed in respect of winding-up of pension plans, commutation of trivial annuities, multi-employer pension plans, and employee-pay-all pension plans.

The interest shown by other provinces in the principles and structure of the proposed Uniform Pension Act is most encouraging. So too is the interest shown by the federal government in applying similar rules to employees under its jurisdiction.

Uniform pension standards among the provinces would enable employers to arrange and maintain private pension plans on a national basis with a minimum of trouble and expense for compliance. Uniformity would also be of advantage to employees. The draft bill now being considered for uniform enactment should preserve and hence add to the retirement incomes of great numbers of Canadians by protecting the pension rights of many workers over age 45 who move from one employer to another.

APPENDIX I

Pension Plan Coverage in Ontario in September 1963

It is estimated that 44% of the paid workers in the Ontario labour force are members of pension plans. A survey of 7,476 pension plans covering workers in Ontario shows that there are 935,000 pension plan members and that 1,343,000 employees are working for employers who have a pension plan or plans in effect. Duplication where an employer operates more than one pension plan for his employees has been eliminated.

The above figures should be related to the number of paid workers in the Ontario labour force plus the number in the Armed Forces in Ontario, that is, to 2,104,000.

In Ontario, therefore, 64% of paid workers were employed by employers who had a pension plan in operation and 44% were members of these pension plans.

The following table shows how these figures are derived, the number of persons being given in thousands..

	<u>Males</u>	<u>Females</u>	<u>Total</u>
(1) Working for employers with pension plans in effect	965	378	1,343
(2) Members of pension plans	720	215	935
(3) Labour force September 1963, (including unemployed, self-employed, unpaid workers, etc.)	1,738	731	2,469
(4) Paid workers in labour force plus Armed Forces	1,456	648	2,104
Ratio (1) to (4)	66%	58%	64%
Ratio (2) to (4)	49%	33%	44%

APPENDIX II

Statistics of General Interest concerning Pension Plans

The following table shows the number of pension plans with certain characteristics and the number of employees working in Ontario who are members of these pension plans. Duplication has not been eliminated where an employee is a member of more than one pension plan. The date of the survey is September 1, 1963.

	<u>Number of Plans</u>	<u>Male Members</u>	<u>Female Members</u>	<u>Total Members</u>
Federal, provincial and municipal governments and their agencies	516	238,993	100,386	339,379
Non-government plans of corporations, partnerships and associations, etc.	<u>6,960</u>	<u>514,713</u>	<u>116,291</u>	<u>631,009</u>
Total of all pension plans	<u>7,476</u>	<u>753,711</u>	<u>216,677</u>	<u>970,388</u>
Subject to collective bargaining	556	250,149	37,027	287,176
Not bargained with union	<u>6,920</u>	<u>503,562</u>	<u>179,650</u>	<u>683,212</u>
Total of all pension plans	<u>7,476</u>	<u>753,711</u>	<u>216,677</u>	<u>970,388</u>
Membership compulsory	2,796	594,676	187,659	782,335
Membership not compulsory	<u>4,680</u>	<u>159,035</u>	<u>29,018</u>	<u>188,053</u>
Total of all pension plans	<u>7,476</u>	<u>753,711</u>	<u>216,677</u>	<u>970,388</u>
Contributory plans	6,571	522,968	162,070	685,038
Non-contributory plans	<u>905</u>	<u>230,743</u>	<u>54,607</u>	<u>285,350</u>
Total of all pension plans	<u>7,476</u>	<u>753,711</u>	<u>216,677</u>	<u>970,388</u>

APPENDIX II (Contd.)

	<u>Number of Plans</u>	<u>Male Members</u>	<u>Female Members</u>	<u>Total Members</u>
Final earnings and final average earnings	413	286,726	115,053	401,779
Career average (unit benefit)	2,292	212,006	65,386	277,392
Money purchase	3,527	51,155	11,105	62,260
Flat benefit	348	150,205	11,241	161,446
Profit sharing	227	16,381	3,707	20,088
Composite pension formula	<u>669</u>	<u>37,238</u>	<u>10,185</u>	<u>47,423</u>
Total of all pension plans	<u>7,476</u>	<u>753,711</u>	<u>216,677</u>	<u>970,388</u>
Conventionally funded plans	7,302	724,396	202,660	927,056
Terminally funded plans	76	12,925	943	13,868
Unfunded (pay-as-you-go)	<u>98</u>	<u>16,390</u>	<u>13,074</u>	<u>29,464</u>
Total of all pension plans	<u>7,476</u>	<u>753,711</u>	<u>216,677</u>	<u>970,388</u>
Underwritten by insurance company	5,110	146,009	32,200	178,209
Pension fund held by trustees	1,398	356,209	85,375	441,584
Underwritten by federal Government Annuities Branch	359	9,618	1,000	10,618
Statutory funds, unfunded plans and multiple underwriting	<u>609</u>	<u>241,875</u>	<u>98,102</u>	<u>339,977</u>
Total of all pension plans	<u>7,476</u>	<u>753,711</u>	<u>216,677</u>	<u>970,388</u>

SECOND ANNUAL REPORT
OF
THE PENSION COMMISSION OF ONTARIO
FOR THE YEAR ENDING 31 DECEMBER, 1965.

The Pension Commission of Ontario,

454 University Avenue, Toronto 2, Ontario.

MEMBERS OF THE COMMISSION

Mr. Leonard F. Wills,	Chairman,
Professor Donald C. MacGregor,	Vice-Chairman,
Mr. Laurence E. Coward,	
Mr. Alfred H. Cowling, M.P.P.,	
Mr. Jules E. Fortin,	
Mr. Gordon Milling,	
Mr. D'Alton S. Rudd.	

Superintendent of Pensions

Mr. J. Wells Bentley

Senior Pension Analyst

Mr. Arthur H. Wakefield

SECOND ANNUAL REPORT OF THE PENSION COMMISSION
OF ONTARIO, FOR THE YEAR ENDING 31 DECEMBER, 1965.

The Pension Benefits Act, which this Commission administers, serves to regulate employers' pension plans. The Act requires a minimum level of portability in pension benefits and establishes standards for solvency. Originally adopted in April 1963, it was amended in 1964 to avoid conflict with the Canada Pension Plan. In the summer of 1965 a further change was made, the then existing Act being replaced by a new one that differs in details but not in principle. The new Act, to be described later, does not call for any changes in the terms of pension plans previously registered.

The main provisions of the original Act, as amended, came into operation on January 1, 1965. One of these provisions, the vesting rule, is especially worth noting. It requires full vesting in the employee of the benefits arising or created under the plan after January 1, 1965, subject to two conditions. These conditions are, first, that the employee has reached the age of 45 and, second, that he has had at least ten years' service with his employer. Under the new Act he will also be covered under the vesting rule, without having had ten years' service with one employer, if he has for ten years been a member of a single multi-employer pension plan to which one or other of his various employers has contributed over the period.

Another provision, applicable to those covered by the vesting rule just described, places a partial restriction on the withdrawal of employee contributions (excepting voluntary ones) paid into the plan after the beginning of 1965. The provisions relating to solvency, as prescribed in the Regulations under the Act, likewise became effective at the beginning of 1965.

A further provision requires each employer who is already qualified to submit a preliminary financial or cost certificate not later than January 1, 1966, under Section 3 of the Regulations. The certificate serves to show, first, each plan's unfunded liability if any; second, the special payments required to liquidate the unfunded liability; third, the cost of pension benefits in respect of service during the first year of registration; and, fourth, the rules for computation of the cost in later years. In addition to the cost certificate, a list of each fund's assets is required in the case of uninsured plans.

Turning now to administration under the Act, applications on behalf of 8,621 pension plans had been received up to the end of 1965. Of these a total of 7,733 plans, or 88.5 per cent of those applying, had met the requirements of the Act and been approved for registration. The 7,733 plans had 653,000 members at their respective dates of application. Eighty-four plans for which application had been made were terminated during the year. These plans had a total membership of 1,640 or an average of 20 members per plan.

At the end of 1965 there remained 804 applications for which registration had not been granted. Some of the applications were of recent date, in part because 345 of them were received for plans established during the year. Others were for plans that had met the terms of the Act but had not yet filed all the required documents. There were also cases where the Act's terms had not yet been complied with in full, while still others were awaiting the Commission's decision on matters of policy.

In order to meet the requirements of the Act more than half of the plans submitted for registration have been obliged to alter their vesting rules in favour of employees. The Act has thus brought about a widespread improvement in provisions for portability. Moreover, from information gained in the course of its operations the Commission is now able to say that many plans have either been amended or have altered their practice, with a view to fuller funding or to changing the composition of their investments. With respect to investments, observance of the rules governing the composition of assets is required by Section 15 of the Regulations from August 4, 1964, the date the regulations were made. In cases where the composition of its assets does not conform at the time of registration a plan is given five years to meet the requirements.

Turning now to inter-provincial developments it will be recalled that a number of the provinces have been considering the need for pension legislation, a need that has increased since the relaxation of federal tax rules for pension plans. Experience in other fields has shown the advantage of a degree of similarity in Acts of this type. Unless deliberate steps are taken to provide similarity, however, needless variation may arise between the laws of different provinces, leading to inconvenience and confusion for all concerned.

With a view to avoiding such an outcome the Government of Ontario, acting through this Commission, has taken part in efforts to design a model or uniform pension benefits Act. Following an inter-provincial conference on uniform pension legislation, held in October 1964, the draft of a model Act was revised and a further conference was held in the following January. At the close of the latter conference a communiqué was issued on January 19 stating, in part, that "while some provinces do not expect to enact the new legislation immediately, general technical agreement has been reached among their representatives upon matters of substance". At a third interprovincial conference held in the City of Quebec on September 7, 1965, a draft form of interprovincial agreement and a draft uniform regulation were discussed, as described in a communiqué issued on that day.

With the draft Uniform Act before them during the early months of 1965, the Commission and its legal advisers gave continuous attention to details of the proposed legislation as it affected Ontario and recommendations for a new Ontario Act were then made. On May 21 new legislation was presented by the Honourable John Robarts to the Legislative Assembly as Bill 157. The Bill received third reading on June 21, was assented to on the following day and came into force by proclamation on July 30 as the Pension Benefits Act, 1965 (Ch. 96). The new Act repealed that of 1963 and replaced it, as we have already said, with one similar in principle but differing in details. The differences, described at the introduction of the new measure on May 21, include provisions for recognizing the presence of substantially similar legislation in other provinces, for making reciprocal arrangements with those provinces, and for delegating powers to them. In addition, the new Act widens at two points the definition of 10 years' service in connection with the age 45 vesting rule, broadens the definition of the term employer to include his successors and assigns, and protects employees' interests in case their plan is integrated with the new Canada Pension Plan. Also, the Act has been changed to allow commutation of pensions yielding less than \$10.00 monthly. We wish to repeat that the new Act does not make any changes that call for amendment of pension plans already registered.

On July 30, 1965, when the new Act was proclaimed, the former Regulations under the Act were reissued with minor changes. They remained in force throughout the year. Meanwhile revised regulations were being prepared, in part with a view to uniformity among the provinces. (Early in 1966 the revised regulations were approved by the Lieutenant-Governor in Council.)

Meanwhile there were important and encouraging developments in the direction of uniform pension legislation. Following enactment by the Government of Quebec of the Supplemental Pension Plans Act on July 15, 1965, Quebec officially recognized Ontario as having pension legislation similar to her own.

Ontario responded by recognizing the Quebec legislation on November 30. On December 7, 1965, a reciprocal agreement between the Quebec Pension Board and the Pension Commission of Ontario was signed in Montreal, the Chairman of this Commission signing on behalf of Ontario. The agreement provides that pension plans having members in both provinces will be registered and supervised only by the province in which the larger number of members is situated, thereby avoiding duplication of effort. We are happy to report that in this field there is a marked degree of legislative uniformity in matters of substance between Quebec and Ontario.

On April 2, 1965 the Canada Pension Plan Act, which had been introduced in the House of Commons in the previous November, became law. It will be recalled that to facilitate this measure Ontario's original Pension Benefits Act was amended in the spring of 1964.

The introduction of the Canada Pension Plan, which had posed legislative problems for this Commission in 1964, also influenced the Commission's activities in 1965. In the latter year, however, the impact of the Canada Plan was felt mainly in the course of daily administration, many notices being received of amendments to particular pension arrangements consequent on the Canada Plan. Each amendment had to be examined by the staff and considered for approval, pursuant to the Act and regulations. The most commonly sought amendment has aimed both to lower the level of contributions payable by employees and to modify the benefits, in view of those introduced by the federal law. Another frequent amendment, introduced at the instance of employees, would enable them to withdraw their accumulated contributions (up to a certain date) without the usual condition of terminating their employment. Employees who gain a withdrawal option of this sort and act upon it by withdrawing their contributions naturally bring about an appropriate reduction in the amount of pension benefit provided for them under the plan.

In April 1965, the Commission published a bulletin of statistics entitled "Pension Plans in Ontario, 1963", based on the initial Information Returns of 1964. The bulletin, which deals with 7,476 of the reporting plans, breaks new ground in its treatment of the relation between benefits and contributions. Containing 32 pages and 27 tables, it is available from the Commission at 454 University Avenue, Toronto 2, at the price of \$1.00.

A short table of administrative statistics for the year 1965 is given in the Appendix to the present report.

During the year the Commission held 24 regular meetings. In the first six months its attention was concentrated mainly on drafts of the proposed Uniform Act and on revising drafts for Ontario's own new enactment of May 1965, both of which have already been mentioned. The accompanying revision of the regulations likewise called for repeated attention.

The cost of operating the Commission for the calendar year 1965 was \$165,532.30. Against this the receipts from registration fees and from the sale of publications amounted to \$66,300.92.

There were 16 persons on the administrative staff at the end of the year, as compared with 15 a year earlier. The Commission wishes to express its appreciation of their services.

The original two-year term of office of one member of the Commission, Mr. Leonard F. Wills, expired on July 31. He was re-appointed for the full term of three years. The two-year term of the contract with Mr. Laurence E. Coward, who had been Chairman of the Commission on a full-time basis since its inception in 1963, expired at the same time but was extended to August 31. Mr. Coward continues as a member of the Commission. On September 16 Mr. Wills was appointed Chairman, effective as from September 1. The Commission has seven members.

APPENDIX

Applications for Registration of Pension Plans:

For plans in existence prior to 1 January, 1965	8,276
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For new plans established during 1965	<u>345</u>
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TOTAL applications for Registration received to 31 December, 1965	8,621
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Plans discontinued or wound-up from 1 January, 1965 to 31 December, 1965	<u>84</u>
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Applications received as of December 1965	8,537
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Plans accepted for registration as at 31 December, 1965	7,733
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Plans not accepted for registration as at 31 Decem- ber, 1965 (i.e., applications outstanding)	<u>804</u>
	<u>8,537</u>

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~~George Washington University~~

THIRD ANNUAL REPORT
OF
THE PENSION COMMISSION OF ONTARIO
FOR THE YEAR ENDING 31 DECEMBER, 1966.



The Pension Commission of Ontario,

454 University Avenue, Toronto 2, Ontario.

MEMBERS OF THE COMMISSION

Mr. Leonard F. Wills, Chairman,

Mr. Laurence E. Coward,

Mr. Alfred H. Cowling, M.P.P.,

Mr. Jules E. Fortin,

Mr. Gordon Milling,

Mr. D'Alton S. Rudd.

Superintendent of Pensions

Mr. J. Wells Bentley

Executive Officer

Mr. Patrick W. Neale

THIRD ANNUAL REPORT OF THE PENSION COMMISSION
OF ONTARIO, FOR THE YEAR ENDING 31 DECEMBER, 1966.

The Pension Commission of Ontario is charged with the responsibility of administering The Pension Benefits Act, 1965. This legislation basically serves to regulate pension plans for employees and requires that these plans maintain a minimum level of portability of pension benefits and establishes standards for solvency. The legislation was originally adopted in April 1963 and was amended in 1964 to avoid conflict with the Canada Pension Plan. In July 1965, the then existing Act was replaced by a new Act which differed in some details, but not in principle.

In April, 1966, revised regulations under The Pension Benefits Act, 1965 came into force. The need for the revised regulations was threefold; first, it was necessary to clarify some of the provisions of the regulations for ease of interpretation; secondly, it was necessary to expand the regulations to cover situations not previously considered or that developed during the first year the Act was in force and finally, to obtain the greatest degree of uniformity with the regulations of similar Acts of other provinces.

Four significant developments took place during the year. The Supplemental Pension Plans Act of the Province of Quebec came into force on January 1, 1966. The Province of Alberta enacted The Pension Benefits Act which comes into force on January 1, 1967. The Government

of Canada introduced a Bill, the Pension Benefits Standards Act, in July 1966, which, at the end of this year has had only first reading, and the Province of Manitoba, in December, introduced similar legislation for first reading. It should be noted that the legislation in force and the proposed legislation is substantially similar in all respects.

The reciprocal agreement with the Province of Quebec, described in the Second Annual Report of the Commission, came into force on January 1, 1966. This agreement provides that pension plans having members in both provinces will be registered and supervised only by the province in which the larger number of members is situated, thereby avoiding duplication of effort on the part of the two governments, and providing for the employer the need to register and submit reports only to one jurisdiction. It is anticipated that similar agreements will be signed with other jurisdictions enacting similar legislation. The Pension Commission is pleased to report that this agreement is working satisfactorily.

The Pension Commission, in the administration of the Act, has received 9,504 applications for registration of a pension plan for the period January 1, 1965 to December 31, 1966. It should be noted that 1,087 pension plans with an effective date after January 1, 1965 have applied for registration, which would indicate that the enactment of this legislation has not had an adverse effect on the development of new pension plans. Of the total number of plans applying for registration, 9,092 pension

plans or 95.8 percent of those applying have been examined and approved. The 9,092 pension plans had 771,656 members at their respective dates of application. During 1966, 499 pension plans were transferred to the Quebec Pension Board as these plans come under the jurisdiction of the Board under the terms of the reciprocal agreement.

In October, 1966 the Commission completed a preliminary study showing the changes with respect to pension plans registered with the Commission for the period January 1965 to September 1966. These changes are shown in Appendix 'A' to this report. It is expected that the Commission will publish comprehensive statistical information in 1967 with respect to the pension plans registered since the coming into force of the Act.

In 1966 the Commission did not have to examine as many applications for registration of a pension plan as it did during 1965. However, other requirements of the legislation caused the Commission to be involved with many technical and policy matters such as the Annual Information Returns required from pension plans under Section 18 of the Act, the variety of amendments made to private pension plans consequent upon the coming into force of the Canada Pension Plan, and consideration of different concepts introduced in new or revised pension plans.

Section 18(4) of the Act requires, commencing in the year 1966, that every employer of employees in Ontario covered by a pension plan shall file with the Commission, annually, an information return as prescribed by the regulations. The Commission received 6,941 annual

information returns during 1966.

With the coming into force of the Canada and Quebec Pension Plan Acts, many of the private pension plans adopted some method of coordinating the private plan with the Canada or Quebec Pension Plan. The method usually required an amendment to the private plan.

These amendments must be filed with the Commission and examination of each amendment was necessary to ensure that the plan still remained qualified for registration. One of the areas of concern to the Commission was to ensure that amendments to coordinate with the Canada or Quebec Pension Plan did not adversely affect the pension benefit credits of any member in respect of remuneration and service or membership in the plan prior to the coming into force of the Canada or Quebec Pension Plan.

It was noted earlier in this report that in April 1966 revised regulations under the Act came into force. However, due to the fact that a large percentage of the existing pension plans were being revised or amended and that a number of new plans were being established, the Commission constantly considered the need for change to or clarification of the existing regulations.

In its measures to improve portability of pensions, the Government of Ontario has recognized from the beginning the need for a high degree of uniformity in the essentials of pension legislation in the various provinces.

Since the Province of Quebec has similar legislation and since there is a reciprocal agreement between Ontario and Quebec, the Commission has constantly endeavoured to maintain a free flow of information between the Quebec Pension Board and the Commission.

It is considered that not only must information be freely exchanged, but as well, all interpretations and rulings made with respect to the provisions of the Act and Regulation should be uniform. It seems apparent that this is necessary if we are to enable employers and the administrators of pension plans to make the best use of the reciprocal arrangements. It would be difficult for an employer to accept a ruling or interpretation from one province which differed from that of another province.

In order to facilitate this, the members of the Quebec Pension Board and the Commission held joint meetings, one in Toronto and one in Montreal. Further, exchange of correspondence on various matters was fairly extensive. The Commission will endeavour to establish and maintain liason with other jurisdictions enacting the legislation in the future.

The staff of the Commission and the Board met at various times throughout the year to develop standard procedures and administrative methods. The members of the Commission feel that the degree of success achieved has been substantial.

Previous reports have outlined the development and the work of the interprovincial conferences on uniform pension legislation. The Commission is pleased to report that the fourth interprovincial conference was held in Toronto in December, 1966. The conference was attended by representatives of nine provinces and the federal government. Several representatives indicated that progress is being made in studies with a view to the possible introduction of uniform legislation. The conference considered a number of technical problems as well as establishing a study group to consider the need for and scope of an association of pension commissions and boards. At the close of the meeting a communique was issued which stated, in part, that "All representatives agreed that efforts must be continued to fully develop sound and uniform regulation of private pension plans".

During the year the Commission held 24 regular meetings and the members also attended meetings with the Quebec Pension Board and the interprovincial conference.

The Commission had seven members for the greater part of the year, but in November, 1966, Professor D.C. MacGregor, Vice-Chairman, resigned. The members regret very much his resignation as his counsel was invaluable to the Commission. The appointments of Mr. J.E. Fortin and Mr. G. Milling expired on July 31, 1966, and they were re-appointed for a further three-year term effective from August 1, 1966. The Commission is now composed of six members.

There were 17 persons on the administrative staff at the end of the year as compared with 16 a year earlier. The Commission is financed by money appropriated by the legislature from the Consolidated Revenue Fund and by fees charged to employers for the registration of pension plans and the filing of the annual information returns. The cost of operating the Commission for the calendar year 1966 was \$151,811.53. Receipts from registration and annual information returns and from the sale of publications amounted to \$73,479.60.

APPENDIX 'A'

Pension plans registered with the Pension Commission of Ontario
Changes in period January 1965 to September 1966

	Number of plans	Number of employee members in Ontario		
		Male	Female	Total
A. <u>Pension plans superseded by or merged with other pension plans</u>				
(1) Municipalities joining OMERS	92	1,671	490	2,161
(2) Other cases of merged or superseded pension plans	78	17,780	2,682	20,462
Total superseded or merged plans	170	19,451	3,172	22,623
B. <u>Pension plans terminated</u>				
(1) Terminated because of Ontario Pension Benefits Act	31	143	64	207
(2) Terminated because of Canada Pension Plan	97	2,052	443	2,495
(3) Employer gone out of business	17	199	46	245
(4) Pensions paid up, no more members, etc.	35	216	109	325
(5) Miscellaneous, change of underwriter, no reasons given, etc.	77	500	133	633
Total terminated plans	257	3,110	795	3,905
C. <u>New pension plans established since January 1, 1965, and registered (a further 153 new plans have been filed but not yet examined)</u>				
	<u>770</u>			<u>12,150</u>
D. Total plans registered up to September 1966 (approximate)				
	<u>9,000</u>			<u>800,000</u>

FOURTH ANNUAL REPORT
OF
THE PENSION COMMISSION OF ONTARIO
FOR THE YEAR ENDING 31 DECEMBER, 1967.

The Pension Commission of Ontario,

454 University Avenue, Toronto 2, Ontario.

MEMBERS OF THE COMMISSION

Mr. Leonard F. Wills	Chairman,
Mr. D'Alton S. Rudd,	Vice-Chairman.
Mr. Laurence E. Coward,	
Mr. Jules E. Fortin,	
Mr. Alfred H. Cowling,	
Mr. Gordon Milling.	

Superintendent of Pensions

Mr. J. Wells Bentley

Executive Officer

Mr. Patrick W. Neale

FOURTH ANNUAL REPORT OF THE PENSION COMMISSION
OF ONTARIO, FOR THE YEAR ENDING 31 DECEMBER, 1967.

The Pension Benefits Act, 1965, which the Pension Commission of Ontario administers, regulates pension plans for employees with the object of improving the retirement security which the plans provide. The legislation which came into full operation on January 1, 1965, establishes standards of solvency, regulates the investments, and preserves for older employees the pension entitlements that might otherwise be forfeited when they change jobs.

Briefly and in general terms the requirements of the Act are as follows:

Pension plans covering employees in Ontario must be registered with the Pension Commission.

Pensions arising for service after January 1, 1965, or created under the plan after that date, must be fully vested in an employee who terminates employment after reaching the age of 45 and completing at least 10 years of service with his employer or 10 years in a multi-employer pension plan.

Contributions made in respect of the above fully vested pensions may not be withdrawn in cash.

The funding of the plan must be such as to meet specified standards of solvency.

The investments must be within prescribed limits.

Members of the plan must receive written information as to their entitlements thereunder.

Based on the experience gained since the coming into force of the legislation, the Commission recommended the enactment of the Pension Benefits Amendment Act, 1967, which was given Royal Assent on April 26, 1967. The amendments were designed to prevent the development of pension plans under which the vesting and funding principles could be largely avoided. A number of detailed regulations were made on April 13, 1967 (Ontario Regulation 148/67) and November 2, 1967 (Ontario Regulation 409/67). One of the regulations designated Alberta as a province with substantially similar legislation.

A number of significant developments took place during the year. The Pension Benefits Act of the Province of Alberta came into force on January 1, 1967, and the Government of Canada enacted the Pension Benefits Standards Act which came into force on October 1, 1967. The legislation of both the Province of Alberta and the Government of Canada is substantially similar to the legislation already in force in the Provinces of Ontario and Quebec. The Legislature of the Province of Saskatchewan enacted The Pension Benefits Act which was proclaimed in December 1967 and which will come into force on January 1, 1969.

The Pension Benefits Standards Act of the Government of Canada applies to employers' pension plans covering employees in the Northwest Territories and the Yukon Territory. In addition, and this is the most important group, the federal Act applies to all pension plans whose members

by the nature of their employment are within the legislative authority of the Parliament of Canada.

The reciprocal agreement between the Provinces of Ontario and Quebec, which was described in previous Annual Reports, continues in force. Under this agreement pension plans having members in both provinces are supervised only by the province in which the larger number of members is situated, thus avoiding duplication of effort. It is anticipated that similar agreements will be signed with other jurisdictions in 1968.

The Pension Commission, in the administration of the legislation, has received 10,322 applications for registration of a pension plan during the period January 1, 1965 to December 31, 1967, and of these, 1,867 were pension plans with an effective date after January 1, 1965. The Commission has approved 9,931 pension plans as qualifying for registration under the Act. The registered pension plans had 779,156 members in Ontario at their respective dates of application. Since January 1, 1966, the supervision of 591 pension plans was transferred to the Quebec Pension Board under the terms of the reciprocal arrangement between the Ontario Commission and the Quebec Board.

The Commission, in the past year, did not receive as many new applications for registration of a pension plan as in previous years. However a large number of plans have been amended or revised and the

amendments and revised plans must be examined to ensure that the pension plan remains qualified for registration. Although not many of the larger plans are terminated or wound-up, nevertheless it has been necessary for the Commission to give serious study to the problems inherent in the winding-up of a pension plan. In October, 1967, a study was prepared showing the changes with respect to pension plans registered with the Commission for the period January 1, 1965 to September 1967. These changes are shown in Appendix 'A' to this report.

Section 18(4) of the Act requires that every employer of employees in Ontario covered by a pension plan shall file annually with the Commission an information return as prescribed by the regulations. The Commission received 7,877 annual information returns during 1967.

As has been stated in previous reports, it should be emphasized that the Government of Ontario has recognized from the beginning the importance of a high degree of uniformity in the essentials of pension legislation across Canada. Employers' pension plans are, in the main, subject to provincial jurisdiction and with three provinces and the federal government having legislation affecting pension plans already in force and a fourth province where the legislation will be effective within a year, unless a substantial degree of uniformity exists in the legislation, employers with employees in more than one province would face a difficult situation.

The Commission has, therefore, endeavoured at all times to consult with officials of other jurisdictions to ensure that the essentials of the legislation is substantially similar. The Commission has also endeavoured to develop inter-provincial and federal-provincial arrangements, to facilitate the registration of pension plans and the reporting to government by employers. Without these arrangements, employers who have pension plan members in more than one province would be required to report to each of the jurisdictions, and further, it is conceivable that the legislation of each jurisdiction could differ to a considerable extent causing further problems to this employer.

In order to promote uniformity and co-ordination between the pension authorities, members of the Pension Commission kept in touch with officials of the other jurisdictions. Two meetings were held with members of the Quebec Pension Board and two meetings with members of the federal Department of Insurance. The senior staff of the various jurisdictions met at various times throughout the year to develop standard procedures and administrative methods. The Commission feels that the degree of success achieved has been substantial.

During the year the Commission held 22 regular meetings and some of the members also attended the special meetings mentioned above with representatives of other jurisdictions.

The Commission is composed of six members. The appointments of Mr. D.S. Rudd and Mr. Alfred H. Cowling expired on July 31 and they were reappointed for a further three-year term effective from August 1, 1967. (Mr. Cowling resigned in February 1968). In May, Mr. D.S. Rudd was appointed Vice-Chairman, and in August, upon his reappointment as a member of the Commission, Mr. Rudd was reappointed Vice-Chairman.

There were 20 persons on the administrative and clerical staff at the end of the year as compared with 17 full time and 2 to 4 casual staff as required in the previous year. The Commission is financed by monies appropriated by the legislature from the Consolidated Revenue Fund and by fees charged to employers for the registration of pension plans and the filing of annual information returns. The cost of operating the Commission for the calendar year 1967 was \$160,905.00. Receipts from fees charged for registration and annual information returns and from the sale of publications amounted to \$82,378.00.

Pension plans registered with the Pension Commission of Ontario
Changes in period January 1965 to September 1967

	Number of plans	Number of employee members in Ontario		
		Male	Female	Total
. Pension plans superseded by or merged with other pension plans				
(1) Municipalities joining OMERS	303	10346	2232	12578
(2) Other cases of merged or super- seded pension plans	262	31526	5914	37440
Total superseded or merged plans	565	41872	8146	50018
. Pension plans terminated				
(1) Terminated because of Ontario Pension Benefits Act.	34	206	65	271
(2) Terminated because of Canada Pension Plan	187	3230	906	4136
(3) Employer gone out of business	54	545	164	709
(4) Pensions paid up, no more members	93	1319	196	1515
(5) Miscellaneous, change of under- writer, no reasons given	261	4492	1693	6185
(6) Registered in error, duplicated applications	100	1196	538	1734
Total terminated plans	729	10988	3562	14550
<u>C. & B.:</u> Total of superseded, merged and terminated plans	1294	52860	11708	64568
D. New pension plans established since January 1, 1965 and registered (a further 88 new plans have been filed but not yet examined)				
	1588			44907
E. Total plans registered as at December 31, 1967	9931			779,156

FIFTH ANNUAL REPORT
OF
THE PENSION COMMISSION OF ONTARIO
FOR THE YEAR ENDING 31 DECEMBER, 1968.

THE ANNUAL REPORT

THE PENSION COMMISSION OF ONTARIO
FOR THE YEAR ENDING 31 DECEMBER, 1966.

The Pension Commission of Ontario,

454 University Avenue, Toronto 2, Ontario.

MEMBERS OF THE COMMISSION

Mr. Leonard F. Wills,

Chairman,

Mr. D'Alton S. Rudd,

Vice-Chairman.

Mr. Laurence E. Coward,

Mr. Jules E. Fortin,

Mr. Gordon Milling,

Mr. Paul A. Kates,

Mr. George A. Kerr,
Q.C., M.P.P.

Superintendent of Pensions

Mr. J. Wells Bentley

Executive Officer

Mr. Patrick W. Neale

FIFTH ANNUAL REPORT OF THE PENSION COMMISSION
OF ONTARIO, FOR THE YEAR ENDING 31 DECEMBER, 1968.

The Pension Commission of Ontario, under section 10 of The Pension Benefits Act, 1965, is charged, among other things, with the administration and enforcement of the Act, which is designed to improve the retirement security provided by employer's pension plans. The legislation, in force since January 1, 1965, establishes standards of solvency, preserves pension entitlements for qualified members of the plan when they change jobs and sets standards for the investment of pension funds.

In broad terms, the legislation requires that:

Pension plans with employees in Ontario must be registered with the Commission.

Pensions arising for service after January 1, 1965, or created under the plan after that date, must be fully vested in an employee after attaining the age of 45 years and having completed 10 or more years of service with his employer or 10 years in a multi-employer pension plan.

Contributions made in respect of the above fully vested pension may not be withdrawn in cash.

The funding of the plan must be such as to meet the specified standards of solvency.

The investments of the funds of the pension plan must be within prescribed limits.

Members of the plan must receive written information as to their rights and duties under the plan and of the terms and conditions of the plan applicable to them.

The legislation has now been in force in Ontario for more than four years and, as might be expected, the Commission's attention is not now principally concerned with ensuring that new pension plans meet the requirements for registration. Rather it is directed toward consideration of amendments to and revisions of existing plans, the winding-up of pension plans either from voluntary or forced considerations, and, of course, the development and maintenance of arrangements between jurisdictions having similar legislation so that maximum uniformity of the content of the legislation and administrative procedures is obtained.

Based on experience gained since the inception of the legislation, the Commission recommended an amendment to the Act designed primarily to clarify the rules applicable pertaining to the deferred life annuity prescribed in section 21 of the Act when a pension plan is wound-up or terminated. The amendment also gave the Commission power, subject to appeal by the employer, to declare a pension plan wholly or partly wound-up. The Pension Benefits Amendment Act, 1968, the result of the Commission's recommendation, was given Royal Assent on June 13, 1968.

In addition to the amendment to the Act, the Commission recommended the revision of the regulation under the Act pertaining to the winding-up or termination of a pension plan. In this regard the Commission consulted with other jurisdictions in order to maintain uniformity in the legislation and with 'outside' consultants and actuaries in order to ensure the workability of the changes to the regulations. The drafting of the proposed amendments to the regulation

had been completed by the end of 1968, and it is expected that approval of the Lieutenant Governor in Council will be obtained early in 1969.

The Commission recommended that the Northwest Territories and the Yukon Territory and the Province of Saskatchewan be designated as a province and territories of Canada in which there is in force legislation substantially similar to The Pension Benefits Act, 1965, of Ontario. Ontario Regulation 10/68 designating the Northwest Territories and the Yukon Territory was made on January 27, 1968 and Ontario Regulation 323/68 designating Saskatchewan was made September 21, 1968.

During 1968 some employers filed with the Commission amendments which would permit members of the pension plans, while remaining in employment, to withdraw their contributions from the plan, in which case the employee would forego any entitlements that have accrued to him for service up to the date he withdrew from the plan. The Commission is prepared, since the Act is not retroactive in any way, to accept an amendment to a plan permitting withdrawal by the employee of contributions made under the plan for service prior to 1 January 1965, the effective date of the legislation, with corresponding loss of pension benefits for that period of service. However, the Commission cannot accept an amendment permitting the withdrawal of contributions made after 1 January 1965 while the employee remains in the employ of the employer, since this amendment contravenes the necessary implication of section 21 of the Act that employees upon attaining age 45 with 10 years of service will have established their entitlement to benefits for service after 1 January 1965 as part

of the benefits comprised in the deferred life annuity.

In previous annual reports, we have reported upon the development of similar legislation in other provinces and the federal government. The Supplemental Pension Plans Act, Quebec, came into force on January 1, 1966, The Pension Benefits Act, Alberta, on January 1, 1967, the Pension Benefits Standards Act, Canada, on October 1, 1967, The Pension Benefits Act, 1967, Saskatchewan, was proclaimed in 1967 and will come into force on January 1, 1969. In addition to this, the Department of National Revenue, Canada, issued on October 1, 1968, the departmental rules in regard to acceptance of employee pension plans for registration pursuant to section 139(1)(ahh) of the Income Tax Act.

In the development of this legislative network the Commission and the officials of the other jurisdictions have striven to maintain uniformity in both the legislation and the administrative procedures. To this end, the Commission has endeavoured to keep a free flow of information between the various pension boards and commissions, as well as with the Department of National Revenue officials who supervise pension plans for purposes of the Income Tax Act.

The Interprovincial Conference on Uniform Pension Legislation has proven to be of great importance in this respect. The fifth Interprovincial Conference held in Banff on June 27, 1968 had as its theme "the encouragement of uniformity in both legislation and supervision". One of the highlights of the Conference was the adoption of an Interprovincial Agreement providing for single

supervision in the case of private pension plans which are subject to the regulations of two or more provinces, thus simplifying the task of employers. The Agreement, which had been negotiated for some months was formally signed by representatives of Ontario, Quebec and Alberta. Saskatchewan indicated its intention of being a signatory to the Agreement when the necessary legislative action had been taken. It is significant to note that the Agreement is designed to accomodate all of the provinces at such time as they enact the appropriate legislation.

The Interprovincial Conference also recommended the early establishment of a national association of government authorities in the pension field. The aims of the association are to co-ordinate the efforts and policies of its member agencies and to develop research, common statistical reporting and other facilities. The establishment of the association continues to be of importance to the Commission and is a major project of the jurisdictions engaged in the supervision of private pension plans.

In the development of the Interprovincial Agreement, it was evident that the federal government could not be a party to this type of Agreement except to the extent that the federal legislation applies to employers' pension plans covering employees in the Northwest Territories and the Yukon Territory. The most important group of pension plans affected by the federal Act are those plans whose members, by the nature of their employment rather than by locality, are within the legislative authority of the Parliament of Canada. In view of this, it was decided that separate agreements between the federal government and

each of the provincial jurisdictions were desirable. On August 28, 1968, the Chairman of the Pension Commission and the Minister of Finance, Canada, signed the agreement between Ontario and Canada, the purpose of the Agreement being to eliminate the duplication of administrative procedures in the supervision of pension plans subject to both The Pension Benefits Act, 1965, Ontario and the Federal Pension Benefits Standards Act. It is anticipated that in early 1969 the provinces of Quebec, Alberta and Saskatchewan will enter into somewhat similar agreements with the federal government.

The Commission, in the administration of the legislation, has received 11,070 applications for registration of a pension plan during the period 1 January 1965 to December 31, 1968 and, of these, 2,515 were pension plans with an effective date after 1 January 1965. The Commission has approved 10,697 as qualifying for registration under the Act. The registered pension plans affected 790,000 members in Ontario at their respective dates of application. Under the terms of the reciprocal agreements between the provinces, the Commission has transferred the supervision of 598 plans to Quebec, 51 plans to Alberta and 49 plans to the federal government.

The Commission receives many applications for amendments and revisions to pension plans which must be considered to ensure the pension plan remains qualified for registration. In addition, pension plans must file an Annual Information Return and in 1968, pension plans were required to file a new cost certificate, and trustee plans were required to file as well a statement of the assets of the fund and the actuarial report. As at September 26, 1968 a

study was prepared showing the changes with respect to pension plans registered with the Commission for the period 1 January 1965 to September 26, 1968. These changes are shown in Appendix "A" to this reports.

The Commission is composed of seven members. The appointments of Mr. Wills and Mr. Coward expired on July 31 and they were reappointed for a further three year term effective from August 1, 1968. Mr. Wills was reappointed as Chairman, Mr. P.A. Kates and Mr. G.A. Kerr, Q.C., M.P.P., were appointed to the Commission on April 25, 1968 for a term expiring July 31, 1970. During the year the Commission held 22 regular meetings, in addition, some of the members attended special meetings with representatives of other jurisdictions.

There were 19 persons on the administrative and clerical staff at the end of 1968 compared with 20 staff members at the end of the previous year. The Commission is financed by monies appropriated by the legislature from the Consolidated Revenue Fund and by fees charged to employers for the registration of pension plans and the filing of annual information returns. The cost of operating the Commission for the calendar year 1968 was \$180,700.00. Receipts from fees charged for registration and annual information returns and the sale of publications amounted to \$81,117.00.

Pension plans registered with the Pension Commission of Ontario
Changes in period January 1965 to September 1968

	Number of plans	Number of employee members in Ontario		
		Male	Female	Total
A. <u>Pension plans superseded by or merged with other pension plans</u>				
(1) Municipalities joining OMERS	312	10831	2262	13093
(2) Other cases of merged or super- seded pension plans	363	45288	9206	54494
Total superseded or merged plans	675	56119	11468	67587
B. <u>Pension plans terminated</u>				
(1) Terminated because of Ontario Pension Benefits Act	35	215	66	281
(2) Terminated because of Canada Pension Plan	193	3251	907	4158
(3) Employer gone out of business	87	827	226	1053
(4) Pensions paid up, no more members	157	1883	275	2158
(5) Miscellaneous, change of under- writer, no reasons given	445	7596	2275	9871
(6) Registered in error, duplicated applications	116	1215	546	1761
Total terminated plans	1033	14987	4295	19282
<u>A. & B.:</u> Total of superseded, merged and terminated plans	1708	71106	15763	86869
C. New pension plans established since January 1, 1965 and registered (a further 62 new plans have been filed but not yet examined)	2289			68263
D. Total plans that have applied for registration up to September 26, 1968 (approximate)	10906			800,000

SIXTH ANNUAL REPORT
OF
THE PENSION COMMISSION OF ONTARIO
FOR THE YEAR ENDING 31 DECEMBER, 1969.



The Pension Commission of Ontario,

454 University Avenue, Toronto 2, Ontario.

MEMBERS OF THE COMMISSION

Mr. Leonard F. Wills,

Chairman,

Mr. D'Alton S. Rudd,

Vice-Chairman.

Mr. Laurence E. Coward,

Mr. Jules E. Fortin,

Mr. Gordon Milling,

Mr. Paul A. Kates,

Mr. Gordon R. Carton,
Q.C., M.P.P.

Superintendent of Pensions

Mr. J. Wells Bentley

Executive Officer

Mr. Patrick W. Neale

the Pension Commission of Ontario,

454 University Avenue, Toronto 2, Ontario.

MEMBERS OF THE COMMISSION

Mr. J. J. [illegible]
Mr. J. J. [illegible]

Mr. Laurence E. Coward,

Mr. James E. Ford,

Mr. W. [illegible]

Mr. Paul A. Jones,

Mr. Gordon R. Cotton,

O.C., M.P.P.,

Mr. J. Wells Bentley

Mr. Patrick W. Neale

Superintendent of Pensions

Executive Officer

SIXTH ANNUAL REPORT OF THE PENSION COMMISSION
OF ONTARIO, FOR THE YEAR ENDING 31 DECEMBER, 1969.

The Pension Commission of Ontario, established in August 1963, is charged with the administration and enforcement of The Pension Benefits Act. The Act, in force since 1 January 1965, preserves pension entitlement for qualified members of a pension plan when they change jobs, establishes standards for solvency and the investment of pension fund monies.

In broad terms, the legislation requires that:

Pension plans with employees in Ontario must be registered with the Commission.

Pensions arising for service after January 1, 1965, or created under the plan after that date, must be fully vested in an employee after attaining the age of 45 years and having completed 10 or more years of service with his employer or 10 years in a multi-employer pension plan.

Contributions made in respect of the above fully vested pension may not, with certain exceptions, be withdrawn in cash.

The funding of the plan must be such as to meet the specified standards for solvency.

The investments of the funds of the pension plan must be within prescribed limits.

Members of the plan must receive written information as to their rights and duties under the plan and of the terms and conditions of the plan applicable to them.

The legislation has now been in force in Ontario for five years.

As noted in previous annual reports, the Commission is principally concerned to ensure that existing plans meet the conditions prescribed for solvency, for investment of pension funds and preservation of employee entitlements. This

involves the examination of new plans filed for registration, of amendments to existing plans and of reports such as the Annual Information Return and the triennial valuation report required under the legislation. Further, the Commission from time to time recommends changes in the Act and Regulation to ensure that the growth of private pension plans is not hampered and that pension plan members receive the protection envisaged by the original planners of the legislation.

In the Annual Report for the year ending December 31, 1968, the Commission reported that a number of pension plan amendments were submitted purporting to permit members of pension plans, while remaining in employment, to withdraw their contributions from the plan. The amendments provided that in such a case the employee would forego any entitlements that would have accrued to him for service up to the date he withdrew his contributions. The Commission took the view that, since the legislation is not retroactive, an amendment permitting the withdrawal of contributions for service prior to 1 January 1965, the effective date of the legislation, with corresponding loss of benefits for that period of service would be accepted. However, the Commission interpreted the Act to mean that an amendment permitting withdrawal of contributions made after 1 January 1965 by an employee while remaining in employment would contravene the necessary implications of section 21 of the Act. On the basis that employees upon attaining age 45 with 10 years of service will have established their entitlement to benefits for service after 1 January 1965, the Commission refused to accept amendments permitting the withdrawal of contributions by employees for service after 1 January 1965.

This interpretation of the legislation was challenged by Molson's Brewery (Ontario) Ltd. and in an action before the Court of Appeal of Ontario on June 27, 1969, the Court allowed the appeal and set aside the Commission's refusal to register the amended plan and directed the Commission to accept the amended plan for registration.

In the meantime, however, the Commission recommended an amendment to the Act which sets out clearly the intent of the legislation, that is, that an employee shall not withdraw any part of his required contributions after the qualification date (1 January 1965) except upon termination of employment or termination of the pension plan in circumstances where he does not qualify for a deferred life annuity under section 21 of the Act. Bill 76, An Act to Amend The Pension Benefits Act, 1965 was given Royal Assent on May 8, 1969, and applies to amendments submitted from that date.

During 1969 numerous public statements were made to the effect that pension funds should invest to a much greater extent in mortgages. Certain criticisms indicated that The Pension Benefits Act and the Regulation thereunder was too restrictive with respect to pension funds investing in mortgages. The Commission gave considerable time to the study of this and is of the opinion that the present regulations governing investments of pension plan funds in mortgages is adequate both from the point of view of safety of investment and the amount that may be invested in mortgages. The present regulations will permit up to 100% of the pension fund to be invested in qualified mortgages providing that no mortgage shall exceed 10% of the total assets of the pension fund.

On October 1, 1966 the Department of National Revenue, Ottawa, published guidelines in regard to acceptance of employee pension plans for registration pursuant to section 139(1)(ahh) of the Income Tax Act. The consequence of these rules was not really felt by the Commission until early in 1969 when certain amendments to plans were filed with the Commission where the amendment was to permit qualification under the Income Tax Act. The real impact, however, derived from the rule which would not permit a plan established primarily for the benefit of shareholders to be accepted for registration under the Income Tax Act and the Commission had to deal with the winding-up of about 300 'top hat' plans.

Section 4 of Ontario Regulation 103/66, as amended by Ontario Regulation 91/69, requires that the employer in respect of a registered pension plan shall cause the plan to be reviewed and a report prepared not more than 3 years after 1 January 1965. The report must set out the estimated costs of the plan for the next three years in respect of current service costs and special payments required to liquidate any experience deficiency within the time permitted by the legislation. If the report does not appear to have been prepared in conformity with generally accepted principles of sound actuarial practice, the Commission shall require the report to be amended so as to be acceptable to the Commission.

The examination of these reports has been done primarily by the staff of the Commission, however, a number were necessarily referred to the Commission and to the Director of Actuarial Services, Government of Ontario.

The valuation of pension fund assets used in preparing the reports is of importance and the Commission gave extensive consideration to this. Numerous discussions with representatives of other jurisdictions were held in order to maintain a high degree of uniformity in the guidelines used for valuing assets.

Other areas of the Act and the Regulation have received serious consideration, notably those sections relating to the utilization of surplus and information to employees.

Previous reports have stressed the need for cooperation between the jurisdictions having similar legislation. The Commission is pleased to report that this has been maintained with the provinces of Quebec, Alberta and Saskatchewan and the federal government; the only authorities with similar legislation. During the year, many topics of interest and concern to all jurisdictions were discussed and as well, a joint meeting of members of the Quebec Pension Board and members of the Commission was held.

The Commission is pleased to report that the interprovincial reciprocal agreement and the dominion-provincial agreements have worked to the advantage of the respective signatories and, of equal or greater importance, to the advantage of the employers who must register their pension plan in accordance with the legislation and who must file periodic reports. These agreements provide that where an employer has employees in more than one province, the plan is registered only in that province in which the plurality of employees work and reports are filed with that province. The responsible authority supervises the plan on its behalf and on behalf of the other jurisdictions. The senior

administrative officers of each of the authorities meet regularly principally to ensure the smooth operation of the agreements and to maintain a high level of cooperation in the administrative function.

The Commission recommended changes to sections 2, 4 and 8 of Ontario Regulation 103/66 and these were approved by the Lieutenant Governor in Council on March 29, 1969 (Ontario Regulation 91/69 and 92/69).

Since 1 January 1965 the Commission has examined and accepted for registration 11,152 pension plans, with 2,892 of these being plans established after the effective date of the legislation. Two thousand, four hundred and seventy-six pension plans terminated since 1 January 1965. Appendix "A" to this report sets out the reasons advanced for the termination. Under the terms of the reciprocal agreements with the provinces of Quebec, Alberta and Saskatchewan and with the federal government, the Commission has transferred 754 pension plans for supervision by these authorities; 615 to Quebec, 58 to Alberta, 11 to Saskatchewan and 70 to the federal government.

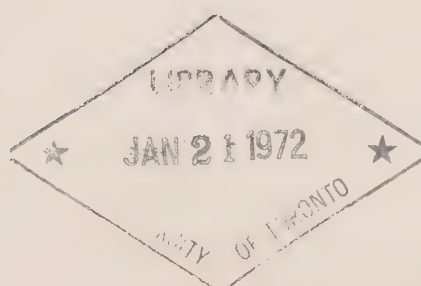
The Commission is composed of seven members in accordance with section 2 of the Act. The appointments of Mr. Milling and Mr. Fortin expired July 31 and they were reappointed for a further three year term. Mr. Kerr, Q.C., M.P.P., who had been appointed a member on April 25, 1968 for a term expiring July 31, 1970, resigned on October 30, 1969 and Mr. G.R. Carton, Q.C., M.P.P. was appointed at that time to complete his term. During the year the Commission held 21 regular meetings and as well, some of the members attended special meetings with representatives of other jurisdictions.

The administrative and clerical staff of the Commission totalled 19 which was the same as for the previous year. The Commission is financed by monies appropriated by the legislature from the Consolidated Revenue Fund and by fees charged to employers for the registration of pension plans and the filing of annual information returns. The cost of operating the Commission for the calendar year 1969 was \$183,001.00. Receipts from fees charged for registration, filing of annual information returns and the sale of publications amounted to \$98,965.00.

Pension plans registered with the Pension Commission of Ontario
Changes in period January 1965 to December 1969

	Number of plans	Number of employee members in Ontario		
		Male	Female	Total
<u>Pension plans superseded by or merged with other pension plans</u>				
(1) Municipalities joining OMERS	325	11102	2322	13424
(2) Other cases of merged or super- seded pension plans	570	48427	10011	58438
Total superseded or merged plans	895	59529	12333	71862
<u>Pension plans terminated</u>				
(1) Terminated because of Ontario Pension Benefits Act	35	215	66	281
(2) Terminated because of Canada Pension Plan	195	3292	908	4200
(3) Employer gone out of business	136	1195	302	1497
(4) Pensions paid up, no more members	215	2261	322	2583
(5) Miscellaneous, change of under- writer, no reasons given	622	8676	2461	11137
(6) Registered in error, duplicated applications	133	2577	770	3347
(7) Shareholder plans not approved by Department of National Revenue, Ottawa	245	434	92	526
Total terminated plans	1581	18650	4921	23571
<u>& B.:</u> Total of superseded, merged and terminated plans	2476	78179	17254	95433

SEVENTH ANNUAL REPORT
OF
THE PENSION COMMISSION OF ONTARIO
FOR THE YEAR ENDING 31 DECEMBER, 1970.



THE ANNUAL REPORT
OF
THE PENSION COMMISSION OF ONTARIO
FOR THE YEAR ENDING 31 DECEMBER, 1970
TORONTO

The Pension Commission of Ontario,

454 University Avenue, Toronto 2, Ontario.

MEMBERS OF THE COMMISSION

Mr. Leonard F. Wills,

Chairman,
(deceased August 13/70)

Mr. Gordon R. Carton,
Q.C., M.P.P.

Chairman,
(effective October 15/70)

Mr. D'Alton S. Rudd,

Vice-Chairman.

Mr. Laurence E. Coward,

Mr. Jules E. Fortin,

Mr. Gordon Milling,

Mr. Paul A. Kates,

Mr. John E. Trimble.

Superintendent of Pensions

Mr. J. Wells Bentley

Executive Officer

Mr. Patrick W. Neale

SEVENTH ANNUAL REPORT OF THE PENSION COMMISSION
OF ONTARIO, FOR THE YEAR ENDING 31 DECEMBER, 1970.

The Pension Commission of Ontario, established in August 1963, is charged with the administration and enforcement of The Pension Benefits Act, 1965. The Act, in force since 1 January, 1965, preserves pension entitlement for qualified members of a pension plan when they change jobs, establishes standards for solvency and the investment of pension fund monies.

In broad terms, the legislation requires that:

Pension plans with employees in Ontario must be registered with the Commission.

Pensions arising for service after January 1, 1965, or created under the plan after that date, must be fully vested in an employee after attaining the age of 45 years and having completed 10 or more years of service with his employer or 10 years in a multi-employer pension plan.

Contributions made in respect of the above fully vested pension may not, with certain exceptions, be withdrawn in cash.

The funding of the plan must be such as to meet the specified standards for solvency.

The investments of the funds of the pension plan must be within prescribed limits.

Members of the plan must receive written information as to their rights and duties under the plan and of the terms and conditions of the plan applicable to them.

The Pension Benefits Act, 1965 has been in force for six years.

The Pension Commission's main responsibility is to ensure that pension plans meet the statutory conditions prescribed for solvency, for investment of pension funds and for the preservation of employee entitlements. This involves the examination of new plans filed for registration, of amendments to existing pension plans, of reports such as the Annual Information Return and the triennial valuation.

In 1970 the Pension Commission commenced an evaluation of the effect of the legislation on the retirement security of employees in Ontario. This includes possible amendments to strengthen and clarify the Act or Regulation, and where differences exist among the Acts of the various provinces and the federal government, possible amendments which would make the legislation of all jurisdictions more uniform. This evaluation is continuing.

The Commission hosted the Sixth Interprovincial Conference on Uniform Pension Legislation in Toronto on December 3rd and 4th, 1970, which was attended by representatives from the federal government and all provinces with the exception of British Columbia and Prince Edward Island. The Conference discussed pension plan developments across Canada, the objectives of pension legislation, the experience gained in administering the Acts and the best way of maintaining uniformity. It was agreed by all representatives that any proposed changes in the legislation should be discussed and reviewed so that uniform recommendations could be made to their respective governments by all jurisdictions.

Previous reports stressed the need for co-ordination between the jurisdictions having similar legislation. It is pleasing to report that all such authorities, namely those in Ontario, Quebec, Alberta and Saskatchewan and the federal government are co-operating closely. During the year, a number of meetings were held between the senior administrative staff of the various jurisdictions on the administrative arrangements under the reciprocal pension agreements.

The Interprovincial Reciprocal Agreement and the Dominion-Provincial Agreement were due to expire December 31, 1970, unless renewed. The Commission is pleased to report that all signatories agreed to extend the two agreements. The necessary documentation extending the agreements is on file with the Pension Commission of Ontario who is, under their terms, the depositary for all original documents. The agreements not only work to the advantage of the various jurisdictions, but as well to the advantage of the employers who must report their pension plans in accordance with the legislation and who must file periodic reports. As a result of the agreements, an employer who has pensionable employees in more than one province, is required to register his pension plan only in the province in which the plurality of such employees work and to file reports only with that one province. The responsible authority, under the terms of the reciprocal agreements, supervises the plan on its behalf and on behalf of the other jurisdictions.

In September 1970, the Department of National Revenue, Ottawa, forwarded draft proposals of rules affecting the registration of pension plans under the Income Tax Act. The Commission was invited to comment on the proposed rules and to meet with officials of the Department of National Revenue. The Commission provided a written submission and met with Department officials, the main purpose being to avoid conflicts between the requirements for registration under The Pension Benefits Act, Ontario and under the Income Tax Act (Canada). Some of the suggestions of the Commission were incorporated in the rules since published as Information Bulletin 71-4.

A major area of concern to the Commission is in the solvency of pension plans. Section 4 of the regulations under the Act requires a registered

pension plan to be reviewed and a report on the financial position of the plan to be filed by the employer with the Commission at least every third year. The report must set out the estimated current service costs of the plan for the next three years and the special payments required to liquidate any experience deficiency or unfunded liability within the time permitted by the legislation. If the report does not appear to have been prepared in conformity with generally accepted principles of sound actuarial practice the Commission requires the report to be amended so as to be acceptable to the Commission. The Commission gave considerable attention to the establishment of guidelines for determining the value to be placed on the assets of the pension fund and for acceptable assumptions and methods used by the actuary. These internal guidelines have assisted the staff of the Commission in its examination of the reports, but a number of cases require individual consideration by the Commission and some are referred to the Director of Actuarial Services, Government of Ontario for his opinion.

During the year under review, the Commission received a number of requests to allow transfer of surplus in a pension fund from one plan to another or to allow refund of surplus to the employer. In dealing with these the protection of the members' entitlements under the plan has constantly been of prime importance.

The Commission suffered a severe loss with the death of the Chairman, Mr. Leonard F. Wills on August 13, 1970. Mr. Wills had been a member of the Commission since its establishment in 1963 and was Chairman from September 1, 1965. His dedication and leadership in this field have been missed.

The Commission is composed of seven members. The appointments of Messrs. D'Alton S. Rudd, Paul A. Kates and Gordon R. Carton, Q.C., M.P.P., expired July 31, 1970, and they were appointed for a further three year term. Mr. Gordon Carton, Q.C., M.P.P., was appointed Chairman of the Commission for a term expiring July 31, 1973. A new member, Mr. J.E. Trimble, was appointed for a term expiring July 31, 1971. During the year the Commission held 19 regular meetings and in addition, some of the members attended special meetings with representatives of other jurisdictions.

Since January 1, 1965, 11,859 pension plans have been submitted for registration, of which 3,364 were established after the effective date of the Act. The Commission has issued Certificates of Registration to 11,453 pension plans. Under the terms of the reciprocal agreements 791 pension plans have been transferred to other jurisdictions and 3,139 plans have terminated their Ontario registration. As at December 31, 1970, the active register of pension plans totals 7,929 covering approximately 800,000 members. Appendix "A" sets out the reasons advanced for the termination of the 3,139 pension plans.

The administrative and clerical staff of the Commission totalled 19, the same as for the previous year. The Commission is financed by monies appropriated by the legislature from the Consolidated Revenue Fund and by fees charged to employers for the registration of pension plans and the filing of annual information returns. The cost of operating the Commission for the calendar year 1970 was \$204,341.00. Receipts from fees charged for registration, filing of annual information returns and the sale of publications amounted to \$103,783.00.

APPENDIX "A"

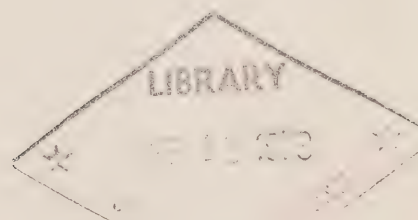
Pension plans registered with the Pension Commission of Ontario
Changes in period January 1965 to December 1970

	Number of plans	Number of employee members in Ontario		
		Male	Female	Total
<u>Pension plans superseded by or merged with other pension plans</u>				
(1) Municipalities joining OMERS	336	11330	2373	13703
(2) Other cases of merged or super- seded pension plans	651	51186	10772	61958
Total superseded or merged plans	987	62516	13145	75661
<u>Pension plans terminated</u>				
(1) Terminated because of Ontario Pension Benefits Act	35	215	66	281
(2) Terminated because of Canada Pension Plan	195	3292	908	4200
(3) Employer gone out of business	162	2482	482	2964
(4) Pensions paid up, no more members	266	2716	376	3092
(5) Miscellaneous, change of under- writer, no reasons given	801	10149	2699	12848
(6) Registered in error, duplicated applications	142	2659	775	3434
(7) Shareholder plans not approved by D.N.R.	551	1052	187	1239
Total terminated plans	2152	22565	5493	28058
& B.: Total of superseded, merged and terminated plans	3139	85081	18638	103719

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Pension Commission, Report

EIGHTH ANNUAL REPORT
OF
THE PENSION COMMISSION OF ONTARIO
FOR THE YEAR ENDING 31 DECEMBER, 1971.



The Pension Commission of Ontario,

454 University Avenue, Toronto 100, Ontario.

MEMBERS OF THE COMMISSION

Mr. Gordon R. Carton,
Q.C., M.P.P.

Chairman,
(resigned June 30, 1971)

Mr. Arthur K. Meen,
Q.C., M.P.P.

Chairman,
(effective July 1, 1971)

Mr. D'Alton S. Rudd,

Vice-Chairman.

Mr. Laurence E. Coward,

Mr. Jules E. Fortin,

Mr. Gordon Milling,

Mr. Paul A. Kates,

Mr. John E. Trimble.

Superintendent of Pensions

Mr. J. Wells Bentley

Executive Officer

Mr. Patrick W. Neale

EIGHTH ANNUAL REPORT OF THE PENSION COMMISSION
OF ONTARIO, FOR THE YEAR ENDING 31 DECEMBER, 1971.

The Pension Commission of Ontario, established in August 1963, is charged with the administration and enforcement of The Pension Benefits Act. The Act, in force since 1 January, 1965, preserves pension entitlement for qualified members of a pension plan when they change jobs, establishes standards for solvency and the investment of pension fund monies.

In broad terms, the legislation requires that:

Pension plans with employees in Ontario must be registered with the Commission.

Pensions arising for service after January 1, 1965, or created under the plan after that date, must be fully vested in an employee after attaining the age of 45 years and having completed 10 or more years of service with his employer or 10 years in a multi-employer pension plan.

Contributions made in respect of the above fully vested pension may not, with certain exceptions, be withdrawn in cash.

The funding of the plan must be such as to meet the specified standards for solvency.

The investments of the funds of the pension plan must be within prescribed limits.

Members of the plan must receive written information as to their rights and duties under the plan and of the terms and conditions of the plan applicable to them.

The Pension Benefits Act has been in force for seven years. The Pension Commission's main responsibility is to ensure that pension plans meet the statutory conditions prescribed for solvency, for investment of pension funds and for the preservation of employee entitlements. This involves the examination of new plans filed for registration, of amendments to existing

pension plans, of reports such as the Annual Information Return and the triennial valuation.

The Commission has continued its study of the impact of the legislation on the security of employees covered by private pension plans. It has met with officials of other jurisdictions and has received representations from some organizations and individuals.

The Commission was host to representatives from the provinces of Quebec, Alberta and Saskatchewan and from the federal government at a meeting held in Toronto on December 16, 1971. At this meeting a consensus was reached on principles that may be recommended to the respective governments concerning both improvements to the legislation and those changes required for better administration of the Act. It was agreed at this meeting that further discussions would be held within six months to enable each jurisdiction to better define its position respecting changes to the legislation.

In the opinion of the Commission and of the other jurisdictions, it is necessary that the maximum degree of uniformity in legislation be maintained. Previous reports of the Commission have stressed this point. As well, uniformity is desirable in the supervisory practices and techniques employed by the staff of each jurisdiction. To obtain this, it has been necessary for the senior administrative officers of the jurisdictions to meet at least every six months.

During the first few years of its existence, the Commission was mainly concerned with the registration of pension plans and ensuring that the plans contractually met the requirements of the Act. However, the emphasis has changed from registration to that of ensuring that the plans remain solvent, that amendments to plans are in accordance with the Act, and that, when businesses are wound up, merged and acquired, the members of the plans affected obtain the protection envisaged by the legislation.

Solvency of pension plans is a matter of continual study and examination by the Commission. Section 4 of the regulations under the Act requires a registered pension plan to be reviewed and a report on the financial position of the plan to be filed by the employer with the Commission at least every third year. The report must set out the estimated current service costs of the plan for the next three years and the special payments required to liquidate any experience deficiency or unfunded liability within the time permitted by the legislation. If the report does not appear to have been prepared in conformity with generally accepted principles of sound actuarial practice the Commission may require the report to be amended so as to be acceptable to the Commission and has required, in some cases, a revised actuarial report to be submitted. A number of cases required individual consideration by the Commission and some are referred to the Director of Actuarial Services, Government of Ontario, for his opinion. The Commission has also sought advice from the Canadian Institute of Actuaries on valuation methods and assumptions.

The Commission has received a number of requests to allow a refund of surplus from a pension fund to the employer. Where, in the opinion

of the Commission, the solvency of the pension plan will not be affected, it has allowed a refund. In pension plans that are not fully insured the Commission has adopted a rule which permits a refund of the surplus less a contingencies reserve of 15% of the actuarial liabilities or two years current service cost, whichever is the greater.

Over the past year, the Commission has dealt with a number of terminations of pension plans caused by the discontinuance of the business operations. Some of these have been of a nature that required considerable study by the Commission in order to obtain the best protection for the employee members. Similarly mergers, acquisitions and takeovers have been numerous and the Commission has given considerable time to ensuring that employees affected have received the protection required by the legislation.

In considering certain amendments to plans submitted to it for approval, the Commission noted two evident trends relating to supplementary benefits and normal retirement age. It is concerned about the possibility of future increases in the level and availability of various supplementary and bridge benefits, making it impossible for the Commission to grant exclusion of them from the normal vesting requirements under Section 13 of Ontario Regulation 654. As well, the Commission became concerned about provisions for early retirement on unreduced pension which point to the evolution in certain plans of a de facto normal retirement age of 62 rather than 65 as defined in the plans.

The Commission is composed of seven members. The appointments of Messrs. Laurence E. Coward and John E. Trimble expired July 31, 1971, and they were appointed for a further three year term. Mr. Gordon Carton, Q.C., M.P.P., Chairman of the Commission resigned on June 30, 1971, and Mr. Arthur K. Meen, Q.C., M.P.P. was appointed Chairman effective from July 1, 1971 to July 31, 1973. During the year the Commission held 22 regular meetings and in addition, some of the members attended special meetings with representatives of other jurisdictions.

Since January 1, 1965, 12,270 pension plans have been submitted for registration, of which 3,775 were established after the effective date of the Act. The Commission has issued Certificates of Registration to 11,874 pension plans. Since January 1, 1965, 3,432 plans have terminated their Ontario registration while 792 plans were transferred to other authorities under the reciprocal agreement. As at December 31, 1971, the register of pension plans supervised by the Commission totals 7,939 covering approximately 920,000 Ontario members. In addition 922 plans covering 16,700 Ontario members are supervised by other jurisdictions.

The administrative and clerical staff of the Commission totalled 19, the same as for the previous year. The Commission is financed by monies appropriated by the legislature from the Consolidated Revenue Fund and by fees charged to employers for the registration of pension plans and the filing of annual information returns. The cost of operating the Commission for the calendar year 1971 was \$216,302.00. Receipts from fees charged for registration, filing of annual information returns and the sale of publications amounted to \$106,567.00.

Pension plans registered with the Pension Commission of Ontario
Changes in period January 1965 to December 1971

		<u>Number of plans</u>	<u>Number of employee members in Ontario</u>		
			<u>Male</u>	<u>Female</u>	<u>Total</u>
<u>Pension plans superseded by or merged with other pension plans</u>					
(1)	Municipalities joining OMERS	340	11359	2463	13822
(2)	Other cases of merged or super- seded pension plans	<u>723</u>	<u>53293</u>	<u>11244</u>	<u>64537</u>
Total superseded or merged plans		<u>1063</u>	<u>64652</u>	<u>13707</u>	<u>78359</u>

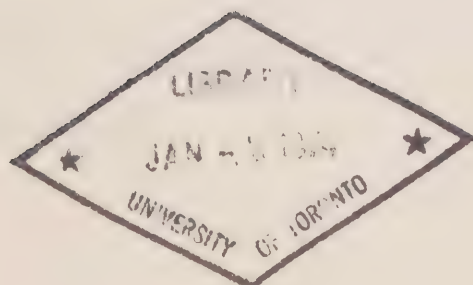
Pension plans terminated

(1) Terminated because of Ontario Pension Benefits Act	36	216	67	283
(2) Terminated because of Canada Pension Plan	196	3578	958	4536
(3) Employer gone out of business	175	2951	717	3668
(4) Pensions paid up, no more members	302	3004	420	3424
(5) Miscellaneous, change of under- writer, no reasons given	906	11118	2849	13967
(6) Registered in error, duplicated applications	143	2662	775	3437
(7) Shareholder plans not approved by D.N.R.	611	1216	225	1441
Total terminated plans	2369	24745	6011	30756

<u>& B.:</u>	Total of superseded, merged and terminated plans	3432	89397	19718	109115
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NINTH ANNUAL REPORT
OF
THE PENSION COMMISSION OF ONTARIO
FOR THE YEAR ENDING 31 DECEMBER, 1972.



The Pension Commission of Ontario,

454 University Avenue, Toronto, Ontario. M5G 1T2

MEMBERS OF THE COMMISSION

Mr. Arthur K. Meen,
Q.C., M.P.P.

Chairman,

Mr. D'Alton S. Rudd,

Vice-Chairman.

Mr. Laurence E. Coward,

Mr. Gordon Milling,

Mr. Jules E. Fortin,

(Retired - July 31, 1972)

Mr. Paul A. Kates,

Mr. John E. Trimble,

Mr. William J. Saunderson.

Superintendent of Pensions

Mr. J. Wells Bentley

Executive Officer

Mr. Patrick W. Neale

tion (University of Ontario)

University of Ontario, Toronto, Ontario, Canada

THE UNIVERSITY OF ONTARIO

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NINTH ANNUAL REPORT OF THE PENSION COMMISSION
OF ONTARIO, FOR THE YEAR ENDING 31 DECEMBER, 1972.

The Pension Commission of Ontario, established in August 1963, is charged with the administration and enforcement of The Pension Benefits Act. The Act, in force since 1 January, 1965, preserves pension entitlement for qualified members of a pension plan when they change jobs, establishes standards for solvency and regulates the investment of pension fund monies.

In broad terms, the legislation requires that:

Pension plans with employees in Ontario must be registered with the Commission.

Pensions arising for service after January 1, 1965, or created under the plan after that date, must be fully vested in an employee after attaining the age of 45 years and having completed 10 or more years of service with his employer or 10 years in a multi-employer pension plan.

Contributions made in respect of the above fully vested pension may not, with certain exceptions, be withdrawn in cash.

The funding of the plan must be such as to meet the specified standards for solvency.

The investments of the funds of the pension plan must be within prescribed limits.

Members of the plan must receive written information as to their rights and duties under the plan and of the terms and conditions of the plan applicable to them.

The Pension Benefits Act has been in force for eight years. The Pension Commission's main responsibility is to ensure that pension plans meet the statutory conditions prescribed for solvency, for investment of pension funds and for the preservation of employee entitlements. This involves the examination of new plans filed for registration, of amendments

to existing pension plans and of periodical reports such as the Annual Information Return and the triennial valuation.

In the first few years following the introduction of The Pension Benefits Act, the Commission's main concern was to ensure that the provisions of a pension plan required to be registered did, in fact, comply with the legislation. The emphasis, however, has changed considerably. A growing area of concern is that of ensuring the solvency of the plans.

The Act and the Regulation require that an employer, in respect of a registered pension plan, shall cause the plan to be reviewed and a report prepared not more than three years after the date of the establishment of the plan and at intervals of not more than three years thereafter. The report must contain the information set out in the Regulation.

Except for fully insured pension plans and most money-purchase plans, the valuation report must be prepared by the actuary to the plan. Where the Commission is not satisfied that the report has been prepared in conformity with generally accepted principles of sound actuarial practice, it may require the report to be amended so as to be acceptable to the Commission.

The staff of the Commission examine all valuation reports and, within certain limits, may accept the reports. In some instances, reports are referred to the Actuarial Branch, Management Board of Cabinet, for their comments and guidance. Where a report is considered not to be prepared in

accordance with principles acceptable to the Commission, it may be required to be amended so as to be acceptable to the Commission. In the last year, the Commission required a number of reports to be amended which caused the liabilities under the plan and the future costs of the plan, to be estimated on a more conservative basis. The Commission's actuaries, in co-operation with those of other jurisdictions, have been working with the Canadian Institute of Actuaries to develop a consensus among the regulatory authorities and the actuarial profession on these highly technical matters.

The staff of the Commission, under the direction of Mrs. Renate Leis, completed a study of Actuarial Valuation Assumptions (Appendix "A") based on all pension plans supervised by the Commission that have 1,000 or more members. The study does not attempt to draw any conclusions, but merely sets out a summary of assumptions utilized in the reports included in the study. This study is, according to the understanding of the Commission, the first of its kind in Canada. It is anticipated that in 1973 a more sophisticated study will be undertaken.

The Commission continues to deal with terminations or winding-up of pension plans. Most terminations of pension plans are due to the discontinuance of the business operations of the employer. The Act and the Regulation require that, before the distribution of the assets of the plan may be made, a report setting out the proposed distribution must be filed with and approved by the Commission. A number of these have been of a nature that

required considerable study by the Commission in order to obtain the best protection for the employee members. Similarly, mergers, amalgamations and takeovers of companies have been numerous and the Commission gave considerable time to ensuring that employees affected received the protection envisaged by the legislation.

The Commission and the authorities in Quebec, Alberta, Saskatchewan and the federal government, spent much time in considering possible amendments to the legislation designed to clarify and strengthen the Act. In particular, the vesting and locking-in rules were examined with a view to improvements for the advantage of the terminating employees.

Under the present Acts, an employee who terminates his employment prior to retirement age, after attaining the age of 45 years and after completing 10 years of continuous service with his employer, is entitled to a deferred life annuity equal to his or her earned pension under the terms of the pension plan, payable at normal retirement age. Such a member's contributions are, in general, "locked-in", that is, not refundable in cash but are applied towards the member's deferred life annuity. Suggestions were made to the Commission that the legislation should require pensions to be preserved earlier than after age 45 with 10 years of service. Among reasons advanced in support of this change, earlier vesting would be of substantial advantage to employees who change their jobs, particularly those at the older ages who rarely are in a position to replace lost benefits. By minimizing wastage of pension rights that occurs all too often, it would contribute to the

retirement security of those who are unable to remain in employment for long periods. This would have the effect of reducing dependency on government social security plans. Early vesting has a logical as well as a sociological basis if pensions are regarded as a form of deferred pay.

The Commission was cognizant of the fact that mandatory vesting, in the long run, is an additional item of cost to the employer, and in some instances, to the employee in that it may require additional contributions to the plan or else may reduce the pension benefits that can be provided under the plan. The Commission recognises that under many contributory plans the "locked-in" employee contributions in the case of younger employees provide all or most of the vested benefit and "locking-in" is unpopular with many employees.

Having regard to the pros and cons of earlier vesting, the Commission published a "Green Paper" (Appendix "B") inviting comments on a suggestion that The Pension Benefits Act should be amended to require preservation of an employee's earned pension at age 40 with five years of continuous service instead of at age 45 and ten years of service. The Commission, in the "Green Paper", invited opinions from all interested parties, requesting that representations should be submitted to the Pension Commission by November 30, 1972.

In September, 1972, the Commission forwarded a copy of the "Green Paper" to each employer having a pension plan registered with the

Commission, to consulting and actuarial firms, to insurance and trust companies, to labour and business organizations and to other organizations with interest in this field. In all, about 10,000 copies of the "Green Paper" were distributed. As well, all employers were requested to bring it to the attention of their employees so that the Commission would receive replies from individuals. By December 31, 1972, two hundred and thirty-four employers provided the Commission with their comments, twenty-eight replies were received from consultants, actuaries, trust and insurance companies, labour and other organizations and a number of replies were received from individuals. The comments received will assist the Commission in determining whether or not to recommend to government that a change be made in the vesting and "locking-in" rules. Other jurisdictions are following the study with interest.

In the interest of maintaining the maximum degree of uniformity with other jurisdictions having similar legislation, members of the Commission and the senior staff of the Commission have met with officials of the other jurisdictions. In addition, several Commissioners attended the Eighth Interprovincial Conference on Uniform Pension Legislation hosted by the Government of Saskatchewan on May 30 and May 31, 1972. This conference was attended not only by officials of those jurisdictions having similar legislation to The Pension Benefits Act, but by officials from all other provinces except British Columbia and Prince Edward Island. The purpose of these conferences is to ensure the continued co-operation of

jurisdictions having the legislation and to keep those jurisdictions not having similar legislation up-to-date with developments in this field.

The Commission is composed of seven members. The appointment of Mr. Gordon Milling expired July 31, 1972, and he was re-appointed for a further three year term. Mr. Jules E. Fortin, who was one of the original members of the Commission, resigned at the end of July, 1972. The Commission will miss the excellent advice and guidance of Mr. Fortin. A new member, Mr. William J. Saunderson, was appointed for a term expiring July 31, 1975. During the year the Commission held 24 regular meetings and, in addition, some of the members attended special meetings with representatives of other jurisdictions.

During the year 1972, 609 plans covering 44,000 members were registered by the Commission. In the year 225 plans covering 5,000 members were terminated.

Since January 1, 1965, 12,906 pension plans have been submitted for registration, of which 4,223 were established after the effective date of the Act. The Commission has issued Certificates of Registration to 12,483 pension plans. Under the terms of the reciprocal agreements 835 pension plans have been transferred to other jurisdictions and 3,657 plans have terminated their Ontario registration. As at December 31, 1972, the active register of pension plans totals 7,991 covering approximately 1,100,000 members in Ontario. (Appendix "C").

The administrative and clerical staff of the Commission totalled 19, the same as for the previous year. The Commission is financed by monies appropriated by the legislature from the Consolidated Revenue Fund and by fees charged to employers for the registration of pension plans and the filing of annual information returns. The cost of operating the Commission for the calendar year 1972 was \$264,348. Receipts from fees charged for registration and filing of annual information returns amounted to \$105,335.

ACTUARIAL VALUATION ASSUMPTIONS

The present study of actuarial valuation assumptions was based on all pension plans supervised by the Pension Commission of Ontario that have over 1,000 members. Out of 152 such plans, 24 plans were excluded as being fully insured or money purchase plans or for other reasons. Hence the survey covers the last actuarial reports filed with the Commission of 128 self-administered pension plans, that is pension plans under-written by a trust fund held by a trustee, or a deposit administration or segregated fund held by an insurer.

In the case of 84 plans the actuarial assumptions on two successive valuations were available and these were surveyed to determine the trends.

The survey includes 21 pension plans of employers in the public sector. Generally speaking, public sector plans were found to employ much the same actuarial assumptions and methods as private sector plans.

The following summarizes a number of conclusions that can be reached from the study.

Valuation Method

Seventy-two plans were valued on a single premium (unit credit) method and 56 on level premium projected benefit method. In the latter group entry-age-normal (40) was preferred over aggregate funding (16).

Under single premium or unit credit funding the current cost is the value of the benefit earned by the current year of service and the liability is the value of all benefits earned for service in prior years. Under level premium or projected benefit methods, the normal cost is taken as a level dollar amount or level percentage of pay and the liability is the value of all benefits for both past and future service less the value of future normal cost contributions. In entry-age-normal funding the normal cost is that applicable to an average new entrant. In aggregate funding the normal cost is such as would provide all benefits of the plan if the normal cost were paid through to each member's retirement. Generally speaking, level premium methods are more conservative than single premium methods in that they generate larger pension funds.

Valuation Method and Type of Plan

It appears that the valuation method is correlated with the type of pension formula, as shown below.

<u>Pension Formula</u>	<u>Valuation Method</u>		
	<u>Single Premium</u>	<u>Level Premium</u>	<u>Total</u>
Percentage of final pay, final average or best average earnings	14	31	45
Percentage of career average earnings	29	13	42
Flat dollar amount per year of service, and other types	<u>29</u>	<u>12</u>	<u>41</u>
Total	<u>72</u>	<u>56</u>	<u>128</u>

Under many pension plans the pension benefit is integrated with government benefits from Old Age Security and the Canada Pension Plan through step rate formulas or offsets or pension supplements. For the purpose of this study we have considered only the basic pension formula and have ignored such supplements and adjustments.

Interest Rate

The interest rate assumed in the actuarial valuation represents a theoretical overall return on the current investment portfolio and on new money for many years ahead. Pension funds are very long term commitments and the obligations to members may run for over fifty years.

The average rate of interest assumed in the last valuations of the 128 plans was 4.81% per annum. The distribution of assumed interest rates is as follows:

Assumed Interest Rate	3 1/2%	4%	4 1/4%	4 1/2%	4 3/4%	5%	5 1/4%	5 1/2%	6%
Number of plans	1	17	4	37	2	40	1	21	5

In five cases the interest rates adopted were:

4 1/2%	for active	4%	for retired lives
5%	" "	4 1/2%	" " "
4 1/2%	" "	5%	" " "
4%	" "	5%	" " "
5 1/2%	" "	6 1/2%	for vested

The first rate was used in the above distribution.

The average assumed interest rate for plans valued on a single premium basis is about 0.39% lower than those on a level premium basis.

In the case of the 84 plans where two valuations were available, the average assumed interest rate rose by 0.47% between the first and second valuations. In 47 of these plans the interest rate was changed in the inter-valuation period and in 37 the same rate was used. In three plans the rate was increased by 0.25%, in 16 plans by 0.5%, in one plan by 0.75%, in 22 plans by 1.0%, in four plans by 1.5% and in one plan by 2%.

Salary Scale

In the actuarial valuation of a plan where pensions are a percentage of final pay, final average or best average pay, a salary scale is usually adopted. A salary scale may also be used in the case of a career average pension plan that is funded on a level premium basis.

In some cases the salary scale is specified in the actuarial report as a percentage rate of increase per annum. In other cases an estimate has been made of the compound rate of annual increase between age 30 and age 65 from tables of earnings in the report.

Forty-eight plans used a salary scale, a 3% and 4% per annum assumption being the most usual. One final average plan, although funded on the level premium system, has no salary scale and in nine

such plans it was not indicated whether a scale was adopted. The distribution of salary scales is as follows:

Assumed Salary Scale	0 < 1	1 < 2	2 < 3	3 < 4	4 < 5	5 < 6
Number of plans	1	9	7	17	13	1

In a few plans the salary scale was changed between the last two valuations. In one plan the scale was increased by 0.5%, in four plans by 1%, and in one plan by 2%.

There appears to be a slight tendency for the assumed salary scale to be correlated with the assumed interest rate, but the tendency is not strong.

Increase in YMPE

Where pension benefits are integrated with the Canada Pension Plan, assumptions may be needed as to future increases in the Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan. Of the 46 plans (all final average plans and career average plans using level premium funding) that are integrated with the Canada Pension Plan, 23 assumed increases in the YMPE, eight assumed no increases, and in 15 reports no reference was made. The usual increase assumed is 2% per annum.

Normal Retirement Date

The distribution of assumed average retirement ages is as follows:

Assumed Retirement Age	60	63	64	65	65 1/2	66	66 1/2	67	68
Number of plans	2	5	11	79	1	2	1	2	2
Graded Rates	23								

The assumed retirement ages have been reduced during the inter-valuation period in five plans by 1 year, one plan by 1 1/4 years, two plans by 2 years, one plan by 2 1/2 years and one plan by 3 years. Changes in five other plans involved graded retirement rates by age.

Termination Rates

It is common to make assumptions as to the terminations of employment by pension plan members who do not have fully vested rights. In this survey 102 valuation reports used termination rates, 23 did not and three made no reference.

Disability Rates

Sixty-six valuations made specific allowance for disability by incorporating disability rates into the valuation basis or by loading for the cost of disability.

Mortality Table

In nine valuations the mortality table was not indicated. The following shows the tables that were used by the other 119 plans.

<u>Mortality Table</u>	<u>No. of Plans</u>
1937 Standard Annuity adjusted	1
a(55)	3
a(55) adjusted or projected	4
a-1949	32
Ga-51*	20
Ga-51 adjusted or projected	46
Other and combinations	<u>13</u>
Total	<u><u>119</u></u>

This survey was prepared by Mrs. Renate Leis of the Pension Commission's staff and published by authority of the Commission.

* In the case of 16 reports, the mortality is stated to be the a-1949 before retirement and the Ga-51 after retirement, however, at ages below 65 the a-1949 and Ga-51 tables are to all intents and purposes identical.



THE PENSION COMMISSION OF ONTARIO

A proposal to amend The Pension Benefits Act of Ontario

The Pension Benefits Act of Ontario has now been in effect for seven years. The Act provides for mandatory "vesting" of pensions and corresponding "locking-in" of contributions of members of private pension plans under certain conditions. The Act empowers the Pension Commission of Ontario to supervise the operations of pension plans including the funding and investments. The principles of the Act have found favour with the governments of three other provinces, Alberta, Quebec and Saskatchewan, and with the Government of Canada, each of which has enacted essentially uniform laws.

As pension plans have developed and as experience has been gained in administering the Act, consideration has been given to the desirability of amendments. In particular, the vesting rule has been under review. At present this rule requires that a pension plan member who leaves employment after attaining age 45 and completing ten years of service shall be entitled to a deferred pension equal to his or her earned pension under the plan terms. In general, such member's contributions are locked-in, that is, are not refundable in cash but are applied towards the member's deferred pension. Suggestions have been made that the law should require pensions to be preserved earlier than after age 45 with ten years of service.

Among the reasons advanced in support of this change, earlier vesting would be of substantial advantage to employees who change their jobs, particularly those at the older ages who are rarely in a position to replace lost pension benefits. By minimizing the wastage of pension rights that occurs all too often, it would contribute to the retirement security of those who are unable to remain in employment for long periods. It would thus reduce their dependency on government social security plans. Early vesting has a logical as well as a sociological basis if pensions are regarded as a form of deferred pay.

It is recognized that mandatory vesting is an additional item of cost. In the long run it either requires extra contributions from the employer (or employees) or else reduces the pension benefits that can be provided to those employees who do not gain from the amendment. Moreover, if vesting and locking-in were required with too short a waiting period or with none, a large number of small benefits would be created that would be prohibitively expensive to administer.

Having regard to the pros and cons of earlier vesting, it is suggested that The Pension Benefits Act should be amended to require preservation of an employee's earned pension at age 40 subject to five years of service, instead of at age 45 subject to ten years of service as at present. This would apply to the pension accruing after January 1, 1965, when the Act became effective.

A statement indicating the additional costs of this change for a variety of different pension plans and circumstances is attached. The calculation is on the same basis as the original cost estimates in The Second Report of the Ontario Committee on Portable Pensions which led to the introduction of the present Act.

Since the vesting rule is of prime importance, the Pension Commission of Ontario is seeking the opinions of any interested parties. The information that is made available to the Commission will be most valuable in its deliberations and in its discussions with other jurisdictions that are studying this matter. Employers, employees, trustees, insurance companies, consultants and others who are interested are invited to submit their views on the proposed change to:

The Pension Commission of Ontario
Attention: Mr. J. W. Bentley
Superintendent of Pensions
454 University Avenue,
Toronto 2, Ontario.

It is requested that representations should be submitted to the Pension Commission of Ontario by November 30, 1972. It would be appreciated if 15 copies of written submissions could be sent if possible.

September 27, 1972.

RATIO OF EMPLOYER'S PENSION PLAN COSTS WITH VESTING AT AGE 40 AND 5 YEARS' SERVICE TO THAT WITH VESTING AT AGE 45 AND 10 YEARS' SERVICE

The Source of the following figures is the
Second Report of the Ontario Committee on Portable Pensions, Appendix B

The cost ratios are shown for four common types of pension plan, in three of which the ratios depend on whether or not the employee contributes. The analysis covers single premium and level premium fundings; male and female employees; light, medium and heavy staff turnover rates. The Second Report describes the methodology and assumptions in detail. The vesting costs shown in the study depend on the terms of the pension plans, the age distribution of members and the actuarial functions used for the purpose of illustration. While these items were chosen to represent typical situations, the cost figures do not necessarily apply to any particular employer.

	Money Purchase %	Unit Benefit Plan		Final Earnings Plan		Flat Benefit Plan	
		Contributory	Non-Contributory	Contributory	Non-Contributory	Contributory	Non-Contributory
Single Premium Funding							
Males Light	105.2	101.4	103.4	100.7	103.1	102.0	103.2
Males Medium	105.7	101.7	103.7	100.7	103.6	102.4	103.6
Males Heavy	107.3	102.7	104.9	101.2	104.3	103.1	104.9
Females Medium	107.1	103.3	105.0	102.3	104.8	103.5	104.9
Females Heavy	109.0	104.0	106.2	102.9	106.1	104.8	106.2
Level Premium Funding							
Males Light	n/a	100.7	101.5	100.5	101.3	101.0	101.4
Males Medium	n/a	100.8	101.5	100.4	101.5	101.0	101.6
Males Heavy	n/a	100.8	101.7	100.2	101.6	101.1	101.8
Females Medium	n/a	101.2	102.0	100.8	101.8	101.3	101.9
Females Heavy	n/a	101.3	102.2	100.9	102.1	101.5	102.1

Pension Plans Registered with The Pension Commission of Ontario
During Year Ending December 31, 1972

Registrations 609

Transfers from other
authorities 5

Plans discontinued 225

Transfers to other
authorities 43

Total plans registered at December 31, 1972	7,991	Approximate membership	1,100,000
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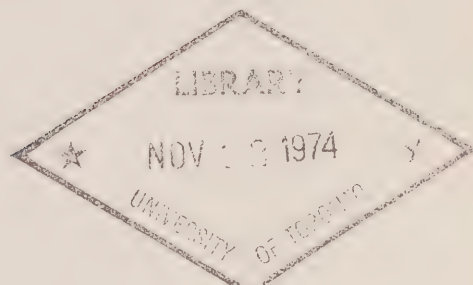


ONTARIO

THE PENSION COMMISSION OF ONTARIO
454 UNIVERSITY AVENUE
TORONTO ~~XX~~CANADA
M5G 1T2

November 6, 1974.

University of Toronto Library,
Serials Department,
Toronto, Ontario.
M5S 1A5



Dear Sirs:

Re: Tenth Annual Report of the Pension Commission
of Ontario for the year ending 31 December, 1973.

Enclosed please find a copy of the Tenth Annual Report
of the Pension Commission of Ontario for the year ending
31 December, 1973.

Yours very truly,

R. Breininger

(Miss) R. Breininger,
Secretary to Superintendent of Pensions.

Enclosure.

TENTH ANNUAL REPORT
OF
THE PENSION COMMISSION OF ONTARIO
FOR THE YEAR ENDING 31 DECEMBER, 1973.

STANDARD
... ..
... ..

The Pension Commission of Ontario,

454 University Avenue, Toronto, Ontario. M5G 1T2

MEMBERS OF THE COMMISSION

Mr. Arthur K. Meen,
Q.C., M.P.P.

Chairman,
(resigned July 31, 1973)

Mr. D'Alton S. Rudd,

Vice-Chairman.

Mr. Laurence E. Coward,

Mr. Gordon Milling,

Mr. Paul A. Kates,

Mr. John E. Trimble,

Mr. William J. Saunderson.

Superintendent of Pensions

Mr. J. Wells Bentley

Executive Officer

Mr. Patrick W. Neale

TENTH ANNUAL REPORT OF THE PENSION COMMISSION
OF ONTARIO, FOR THE YEAR ENDING 31 DECEMBER, 1973.

The Pension Commission of Ontario, established in August 1963, is charged with the administration and enforcement of The Pension Benefits Act. The Act, in force since 1 January, 1965, preserves pension entitlement for qualified members of a pension plan when they change jobs, establishes standards for solvency and regulates the investment of pension fund monies.

In broad terms, the legislation requires that:

Pension plans with employees in Ontario must be registered with the Commission.

Pensions arising for service in Ontario or a designated province after January 1, 1965, or created under the plan after that date, must be fully vested in an employee after attaining the age of 45 years and having completed 10 or more years of service with his employer or 10 years in a multi-employer pension plan.

Contributions made in respect of the above fully vested pension may not, with certain exceptions, be withdrawn in cash.

The funding of the plan must be such as to meet the specified standards for solvency.

The investments of the funds of the pension plan must be within prescribed limits.

Members of the plan must receive written information as to their rights and duties under the plan and of the terms and conditions of the plan applicable to them.

The Pension Benefits Act has been in force for nine years. The Pension Commission's main responsibility is to ensure that pension plans meet the statutory conditions prescribed for solvency, for investment of pension funds and for the preservation of employee entitlements.

This involves the examination of new plans filed for registration, of amendments to existing pension plans and of periodical reports such as the Annual Information Return and the triennial valuation.

Section 18 of The Pension Benefits Act provides, in part, that while a pension plan is in force, it shall maintain its qualification for registration as required by the Act. Following the introduction of the Act, the Commission's main concern was to ensure that the texts of pension plans and pension contracts did not offend the legislation. However, the emphasis has changed considerably. The major function of the Commission now is to ensure that pension plans continue to operate in accordance with the legislation, particularly in the area of solvency of the plans.

Over the past few years, the Commission has worked with the Canadian Institute of Actuaries in developing certain standards of content for valuation reports and in the development of the actuarial certification required under the Act and regulations. It is anticipated that the Institute will complete its study early in 1974 and will recommend to the members of the Institute guidelines which will assist the members when preparing valuation reports and actuarial certificates for filing with the Commission. The Commission is very pleased with the co-operation received from the Institute.

In the light of developments taking place in the pension field and experience gained in administering the Act, the Commission recommended

certain changes in the Act and regulations. An Act to amend The Pension Benefits Act was introduced by the Minister of Consumer and Commercial Relations on October 19, 1973 and was proclaimed on November 15, 1973.

The purpose of the Amending Act was two-fold. The first was of a housekeeping nature designed to clarify some of the existing provisions of the Act; the second, and more important, was to ensure greater protection to employee members.

There were five major changes to the Act:

1. Clause c of subsection 1 of section 10 of the Act was amended to give the Commission the power to cancel pension plan certificates of registration where the employer or plan administrator has failed to comply with the Act or where the plan is not being administered according to the contractual provisions required by the Act;
2. Section 21 of the Act was amended by adding a new subsection. This subsection provides that where a terminating employee is entitled to a deferred or immediate annuity and where on the date of termination of employment the pension benefit credit is less than the value of his contributions, the pension benefit credit must be increased to an amount not less than the value of his contributions;
3. A new section was added to the Act which provides that employee and employer required contributions to a pension plan are deemed to be held by the employer in trust for payment into the plan. This section should be particularly effective in cases where an employer becomes bankrupt or is placed in receivership;

4. Section 22 of the Act required that a pension plan shall contractually provide that each member shall receive a written explanation of the terms and conditions of the plan applicable to him and of his rights and duties under the provisions of the plan. In spite of this provision, some members were not receiving the information to which they were entitled. Subsection (b) of section 22 was repealed and a new section 23b was enacted.

This new section requires that the employee shall receive the written explanation and it sets time limits in which this must be done. It requires that an employee who terminates employment and is entitled to an immediate or deferred pension shall receive a written statement showing the pension benefits to which he is entitled.

A further amendment makes it possible for a member of a registered pension plan or his agent to inspect and to make extracts from the plan at the offices of the Pension Commission.

5. In the last few years a considerable number of business mergers, acquisitions and takeovers have occurred. The concept of successor employer as provided in the Act did not seem to meet the current situation. The Act was amended to ensure that in the event of merger, acquisition or takeover, the employee members of the plan would not lose their pension rights. The amendment clarifies the status of the member of the plan in these situations.

The regulations under the Act were amended. One change clarifies the use that may be made of any surplus in a pension plan. Another change, arising from discussions with the Canadian Institute of Actuaries, requires that actuarial reports must conform to the principles set out in the Institute's guidelines to professional conduct.

The fee structure for the filing of Annual Information Returns and the Application for Registration of a Pension Plan were revised in line with other jurisdictions.

The Commission continues to deal with new applications for registration, with amendments and with termination or winding-up of pension plans. In the main, few problems are encountered with new registrations and amendments to pension plans as most employers and their agents are quite aware of the requirements of the legislation. However, as stated in previous annual reports, wind-up or termination reports in some cases require considerable study by the Commission to obtain the best protection for the members of the plans.

Previous annual reports have also indicated the concern of the Commission in mergers, acquisitions and takeovers. It is expected that some of the difficulties encountered in ensuring protection for employees affected will be removed because of the changes to the Act outlined above.

The staff of the Commission receive and deal with a number of complaints and enquiries from members of pension plans or their representatives, from employers and labour unions. The nature of the enquiries range through the present rules respecting vesting and locking-in, funding arrangements and investment of pension fund monies. Complaints mainly relate to the entitlement of the employee upon termination of employment or termination of the plan, whether this is a refund of monies

or a deferred vested benefit. During the year 143 written enquiries and complaints were received and over 3,000 telephone enquiries.

The Commission continues to keep in close touch with representatives of the other jurisdictions having similar legislation. This co-operation between the jurisdictions has relieved administrators of pension plans from the necessity of filing in several jurisdictions.

Early in 1973, studies were undertaken by representatives of the provinces of Alberta, Ontario, Quebec and Saskatchewan and of the federal government with the view of establishing a Canadian Association of Pension Supervisory Authorities. The purposes of the Association are to ensure the maximum degree of uniformity in legislation and its interpretation and to provide a forum for communication between the pension industry and government. It is anticipated that this organization will be operative in 1974.

The Commission is composed of seven members. The appointments of Mr. D'Alton S. Rudd and Mr. Paul A. Kates expired July 31, 1973. Mr. Rudd was re-appointed as Vice-Chairman and Mr. Kates as a Member for a further three year term. During the year the Commission held 25 regular meetings.

During the year 1973, 459 plans covering 16,705 members were registered by the Commission. In the year 469 plans covering 15,000 members were terminated.

Since January 1, 1965, 13,367 pension plans have been submitted for registration, of which 4,682 were established after the effective date of the Act. The Commission has issued certificates of registration to 12,942 pension plans. Under the terms of the reciprocal agreements 845 pension plans have been transferred to other jurisdictions and 4,126 plans have terminated their Ontario registration. As at December 31, 1973, the active register of pension plans totals 7,985 covering approximately 1,100,000 members in Ontario. (Appendix "A")

The administrative and clerical staff of the Commission numbers 19, the same as for the previous year. The Commission is financed by monies appropriated by the legislature from the Consolidated Revenue Fund and by fees charged to employers for the registration of pension plans and the filing of annual information returns. The cost of operating the Commission for the calendar year 1973 was \$283,295. Receipts from fees charged for registration and filing of annual information returns amounted to \$223,580.

Appendix "A"

Pension Plans Registered with The Pension Commission of Ontario - During Year Ending December 31, 1973

Registrations	459
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Transfers from other authorities	10
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Plans discontinued	469
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Transfers to other authorities	6
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Total plans registered at December 31, 1973	7,985	Approximate membership	1,100,000
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Lacking 1974

ELEVENTH ANNUAL REPORT
OF
THE PENSION COMMISSION OF ONTARIO
FOR THE 15 MONTH PERIOD ENDING 31 MARCH, 1975.



MEMBERS OF THE COMMISSION

Miss Donna J. Haley, Q.C. Chairman
(effective February 27, 1974)

Mr. D'Alton S. Rudd, Vice-Chairman

Mr. Laurence E. Coward,

Mr. Gordon Milling,

Mr. Paul A. Kates,

Mr. John E. Trimble,

Mr. William J. Saunderson,

Mr. Terry E. Yates. (effective June 5, 1974)

Superintendent of Pensions

Mr. J. Wells Bentley

Executive Officer

Mr. Patrick W. Neale

Special Projects Officer

Miss Isabelle LeBlanc

ELEVENTH ANNUAL REPORT OF THE PENSION COMMISSION
OF ONTARIO, FOR THE 15 MONTH PERIOD ENDING 31 MARCH, 1975.

The Pension Commission of Ontario, established in August 1963, is charged with the administration and enforcement of The Pension Benefits Act. The Act, in force since 1 January, 1965, preserves pension entitlement for qualified members of a pension plan when they change jobs, establishes standards for solvency and regulates the investment of pension fund monies.

In broad terms, the legislation requires that:

Pension plans with employees in Ontario must be registered with the Commission.

Pensions arising for service in Ontario or a designated province after January 1, 1965, or created under the plan after that date, must be fully vested in an employee after attaining the age of 45 years and having completed 10 or more years of service with his employer or 10 years in a multi-employer pension plan.

Contributions made in respect of the above fully vested pension may not, with certain exceptions, be withdrawn in cash.

The funding of the plan must be such as to meet the specified standards for solvency.

The investments of the funds of the pension plan must be within prescribed limits.

Members of the plan must receive written information as to their rights and duties under the plan and of the terms and conditions of the plan applicable to them.

The Pension Benefits Act has been in force for over 11 years. The Pension Commission's main responsibility is to ensure that pension plans meet the statutory conditions prescribed for solvency, for investment of pension funds and for the preservation of employee entitlements. This involves the examination of new plans filed for registration, of amendments to existing pension plans and of periodical

reports such as the Annual Information Return and the triennial valuation.

Section 18 of The Pension Benefits Act provides, in part, that while a pension plan is in force, it shall maintain its qualification for registration as required by the Act. Following the introduction of the Act, the Commission's main concern was to ensure that the texts of pension plans and pension contracts did not offend the legislation. However, the emphasis has changed considerably. The major function of the Commission now is to ensure that pension plans continue to operate in accordance with the legislation, particularly in the area of solvency of the plans.

Since the introduction of The Pension Benefits Act of Ontario in 1965, three other provinces and the federal government have enacted legislation substantially similar to this Act. As mentioned in previous reports, the Commission has entered into reciprocal agreements with Quebec, Alberta, Saskatchewan and the federal governments for registration and supervision of plans by one jurisdiction on behalf of the others.

It has always been considered necessary to maintain the maximum degree of uniformity in legislation and in interpretation of the legislation and toward this end studies were undertaken with the view of establishing more formal arrangements between the jurisdictions.

On May 10, 1974, the province of Ontario, Quebec, Alberta, Saskatchewan and the federal government entered into an agreement for the establishment of the Canadian Association of Pension Supervisory Authorities. The purposes of CAPSA are set out below.

To evaluate on a continuing basis the legislation in force and to recommend amendments to existing legislation.

To promote uniformity in legislation, its interpretation and administration.

To create a group identity, thereby furthering communications with other groups having an interest in private pension plans.

To allow members improved co-ordination in research programs, particularly with the view to avoiding duplication.

To establish and maintain relations with other organizations working towards similar objectives.

To provide an opportunity for public to make representations.

CAPSA is made up of the authorized representatives of the federal and provincial governments having similar legislation respecting the supervision of private pension plans. Each jurisdiction is entitled to one member in the 'Association'. The representative from Ontario is the Chairman of the Pension Commission.

CAPSA met three times during the year and developed plans to hold a public conference in 1975, particularly to receive the opinion of the various sectors of the private pension industry. Briefs were solicited from labour, management and other organizations respecting the present

legislation and respecting possible changes to the legislation and which would provide the basis for discussion at the public conference

The changes made to the Act in 1973 provide new rules for pension plans of companies involved in mergers, acquisitions and takeovers. Difficulties encountered previously in ensuring protection of employees' pension rights in situations now covered by the Act have been largely eliminated.

The Commission continued to deal with new applications for registration of pension plans, with amendments to plans and with termination or winding-up of plans.

Representatives of the Commission and representatives of other jurisdictions in Canada gave considerable time to preparing a report dealing with the problem of experience deficiencies arising in final pay plans. Recommendations were advanced in this report for consideration by the jurisdictions.

On September 2, 1974, the President of the United States of America signed into law the Employee Retirement Income Security Act. The rules, which are both tax and non-tax in scope, will affect virtually every pension benefit plan in existence or that will become into being in the future in the United States.

Mandatory rules for participation are established by ERISA as well as rules for vesting and funding. The law features tight fiduciary rules, audited financial statements

for plans and a system of termination insurance to protect, to some degree, the participants in the event of termination of a pension plan. To some extent, rules substantially similar to those in effect in Ontario and other jurisdictions in Canada have been established.

The staff of the Commission receive and deal with a number of complaints and enquiries from members of pension plans or their representatives, from employers and labour unions. The nature of the enquiries range through the present rules respecting vesting and locking-in, funding arrangements and investment of pension fund monies. Complaints mainly relate to the entitlement of the employee upon termination of employment or termination of the plan, whether this is a refund of monies or a deferred vested benefit. During the past 15 months 178 written enquiries and complaints were received, over 3,500 telephone enquiries and about 60 visits to our offices by employees or their representatives.

The Commission is composed of eight members. Miss Donna J. Haley, Q.C. was appointed Chairman effective from February 27, 1974 to February 26, 1977. A new member, Mr. Terry E. Yates, was appointed for a period of two years effective from June 5, 1974 to June 4, 1976. During the 15 months under review, the Commission held 27 regular meetings.

During the period January 1, 1974 to March 31, 1975, 667 plans covering 25,535 members were registered by the Commission. In the same period 784 plans covering 20,000 members were terminated.

The administrative and clerical staff of the Commission numbers 21, two more than in the previous year. The Commission is financed by monies appropriated by the legislature from the Consolidated Revenue Fund and by fees charged to employers for the registration of pension plans and the filing of annual information returns. The cost of operating the Commission for the period January 1, 1974 to March 31, 1975 was \$388,768. Receipts from fees charged for registration and filing of annual information returns amounted to \$350,376.

In co-operation with the Provinces of Quebec, Alberta and Saskatchewan and with the Department of Insurance and Statistics Canada of the federal government, a pension "data bank" was developed at Statistics Canada. Each of the jurisdictions in Canada having pension legislation provides regular up-dating of information to Statistics Canada from the documentation provided to it respecting new pension plans, amendments to existing plans and annual information concerning the number of employee members.

Tables 1 to 9 in Exhibit A are based on information obtained from the "data bank" at Statistics Canada and relate to non-financial statistics of pension plans having members in Ontario, 1974 and 1970.

PENSION COMMISSION
OF
ONTARIO

P E N S I O N P L A N S
I N
O N T A R I O

1970
and
1974

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Introduction

This report is the first to be produced by the Pension Commission of Ontario from information stored in the "data bank" developed at Statistics Canada. It is anticipated that the tables produced will be up-dated every third year.

The information provided in the accompanying tables relates to employee members of plans who are located in Ontario. Some of the plans will have employee members located in other jurisdictions, but membership relates only to Ontario. However, the information provided in the accompanying tables may be compared with information published by other jurisdictions in Canada and with the report published by Statistics Canada entitled "Pension Plans in Canada". To ensure uniformity and consistency of interpretation in recording the complex characteristics of pension plans a common conceptual and statistical framework was developed for use by the jurisdictions having pension legislation and Statistics Canada.

Commentary on Statistical Tables

TABLE 1

Under the terms of reciprocal agreements between the provinces having pension legislation, the responsibility for supervision of the plan rests with the jurisdiction wherein the plurality of employees reside. Similarly, supervision of a plan by the federal government or a province depends on whether the majority of employees covered are subject to federal or provincial labour laws.

This table shows the jurisdiction supervising plans having employee members in Ontario. The total number of employee members located in Ontario is 1,446,000 covered by 8,634 pension plans. The Pension Commission supervises 7,618 plans covering 1,134,000 members.

The province of Quebec supervises 637 plans having 49,900 employees in Ontario. Saskatchewan supervises 26 plans covering 500 members in Ontario, Alberta, 92 plans with 3,000 Ontario members, and the federal government 261 plans with 121,700 members. It should be noted that 10 plans covering 1,807 members are subject to dual registration by the Quebec Pension Board and the federal Department of Insurance. A further 10 plans covering 138,567 members in Ontario are not subject to pension legislation. These plans include, among others, the Public Service Superannuation Plan of Canada, the plan for the Armed Forces, R.C.M.P. and Members of Parliament.

A significant point is that although the number of plans has decreased slightly, there was an increase of almost 224,000 members between 1970 and 1974.

TABLE 3

It will be noted that in this table plans are shown by membership size group, but the number of members shown are less than the number shown in the size group. As an example, under the contributory plan listing, private sector, 1 plan is shown as being in the 30,000 and over size group, but only 8,844 members are shown. This is because the size

group of the plan is determined by the total number of members in the plan regardless of where the members are located. The number of members shown are those located in Ontario.

This table also shows membership in the public and private sectors. In this table the public sector plans are those plans for employees of federal, provincial and municipal governments, crown corporations, and teachers (excluding those employed by private elementary and secondary schools and teaching and non-teaching staff of most universities).

These explanations apply as well for Table 3 of Exhibit B.

TABLE 1

Number and Percentage of Pension Plans and Membership
in Ontario by Jurisdiction and Membership-Size Group - 1974

Membership Size Group	Under Ontario Supervision				Under Quebec Supervision*				Under Alberta Supervision			
	Plans		Ont. Members		Plans		Ont. Members		Plans		Ont. Members	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Less than 5	2,247	29.4	4,952	.4	22	3.4	23		2	2.1	4	.1
5	1,317	17.2	8,613	.7	41	6.4	69	.1	3	3.2	5	.1
10	731	9.5	8,138	.7	51	8.0	124	.2	8	8.6	38	1.2
15	1,583	20.7	39,051	3.4	189	29.6	881	1.7	15	16.3	52	1.7
50	588	7.7	35,421	3.1	88	13.8	1,016	2.0	20	21.7	203	6.6
100	820	10.7	146,733	12.9	162	25.4	6,272	12.5	25	27.1	988	32.5
500	151	1.9	86,780	7.6	37	5.8	5,181	10.3	11	11.9	1,104	36.3
1,000	98	1.2	109,798	9.6	23	3.6	6,794	13.5	6	6.5	497	16.3
2,000	67	.8	208,184	18.3	22	3.4	18,152	36.3	2	2.1	145	4.7
10,000	12	.1	148,062	13.0	2	.3	11,460	22.9				
30,000 AND OVER	4		338,283	29.8								
TOTAL	7,618	100.0	1,134,015	100.0	637	100.0	49,972	100.0	92	100.0	3,036	100.0

Number and Percentage of Pension Plans and Membership
in Ontario by Jurisdiction and Membership-Size Group - 1974

Membership Size Group	Under Saskatchewan Supervision				Under Federal Supervision*				Not subject to pension legislation but having members in Ontario			
	Plans Number	Plans %	Ont. Members Number	Ont. Members %	Plans Number	Plans %	Ont. Members Number	Ont. Members %	Plans Number	Plans %	Ont. Members Number	Ont. Members %
Less than 5					39	14.9		93				
5	1	3.8	2	.4	23	8.8		122	.1			
10	1	3.8	1	.2	20	7.6		194	.1			
15	7	26.9	22	4.4	65	24.9		1,144	.9	1	10.0	1
50	4	15.3	23	4.6	24	9.1		1,247	1.0	1	10.0	1
100	8	30.7	224	45.7	41	15.7		4,584	3.7	3	30.0	571 .4
500	4	15.3	180	36.7	13	4.9		2,465	2.0	2	20.0	17
1,000 - 1,999		.0		.0	14	5.3		7,264	5.9			
2,000 - 9,999	1	3.8	38	7.7	15	5.7		27,797	22.8			
10,000 - 29,999					4	1.5		24,782	20.3	1	10.0	3,089 2.2
30,000 AND OVER					3	1.1		52,068	42.7	2	20.0	134,888 97.3
TOTAL	26	100.0	490	100.0	261	100.0	121,760	100.0	10	100.0	138,567	100.0

Number and Percentage of Pension Plans and Membership
in Ontario by Jurisdiction and Membership-Size Group - 1974

Membership Size Group	Plans		Ont. Members		Total
	Number	%	Number	%	
Less than 5	2,310	26.7	5,072	.3	
5	1,385	16.0	8,811	.6	
10	811	9.3	8,495	.5	
15	1,860	21.5	41,151	2.8	
50	725	8.3	37,911	2.6	
100	1,057	12.2	159,238	11.0	
500	213	2.4	95,183	6.5	
1,000	138	1.5	123,224	8.5	
2,000	107	1.2	254,316	17.5	
10,000	19	.2	187,393	12.9	
10,000 AND OVER	9	.1	525,239	35.3	
	8,624	100.0	1,445,073	100.0	

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There are 10 pension plans with 1,807 members in Ontario subject to dual supervision by the Quebec Pension Board and the Department of Insurance Ottawa.

TABLE 2

Number and Percentage of Pension Plans and
Members in Ontario by Membership Size Group - 1974

Membership Size Group	P L A N S		M E M B E R S I N O N T A R I O			
	Number	%	Males		Females	
			Number	%	Number	%
Less than 5	2,310	26.7	4,098	.3	974	.2
5	1,385	16.0	7,218	.6	1,593	.3
10	811	9.3	6,899	.6	1,596	.3
15	1,860	21.5	33,315	3.2	7,836	1.9
50	725	8.3	30,405	2.9	7,506	1.8
100	555	6.4	43,971	4.2	12,084	2.9
200	502	5.8	82,306	7.9	20,877	5.1
500	213	2.4	75,359	7.2	19,824	4.8
1,000	138	1.5	95,812	9.2	27,412	6.7
2,000	44	.5	41,935	4.0	14,650	3.6
3,000	19	.2	34,262	3.2	3,174	.7
4,000	9	.1	20,346	1.9	6,044	1.4
5,000	35	.4	114,541	11.0	19,364	4.7
10,000 AND OVER	28	.3	449,767	43.2	262,865	64.7
TOTAL	8,634	100.0	1,040,234	100.0	405,799	100.0
					1,446,033	100.0

Membership Size Group	Contributory				NON CONTRIBUTORY				TOTAL			
	Plans		Members in Ontario		Plans		Members in Ontario		Plans		Members in Ontario	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Public Sector												
Less than 5	19	15.3	45		2	40.0	3	.1	21	16.2	48	
5 - 9	12	9.6	77						12	9.6	77	
10 - 14	7	5.6	85		1	20.0	7	.3	8	6.2	92	
15 - 49	22	17.7	564						22	17.0	564	
50 - 99	9	7.2	556						9	6.9	556	
100 - 499	19	15.3	5,291	9					19	14.7	5,291	9
500 - 999	10	8.0	6,240	1.0					10	7.7	6,240	1.0
1000 - 1999	7	5.6	8,555	1.4	1	20.0	594	27.2	8	6.2	9,149	1.5
2000 - 9999	9	7.2	32,475	5.6	1	20.0	1,575	72.2	10	7.7	34,050	5.9
10000-29999	3	2.4	25,942	4.5					3	2.3	25,942	4.5
30000 and over	7	5.6	491,856	86.0					7	5.4	491,856	85.7
TOTAL	124	100.0	571,686	100.0	5	100.0	2,179	100.0	129	100.0	573,865	100.0
Private Sector												
Less than 5	1,628	25.3	3,753		661	31.6	1,271	.2	2,289	26.9	5,024	5
5 - 9	1,188	18.5	7,602	1.9	185	8.8	1,132	.2	1,373	16.1	8,734	1.0
10 - 14	696	10.8	7,316	1.9	107	5.1	1,087	.2	803	9.4	8,403	.9
15 - 49	1,477	23.0	32,344	8.4	361	17.2	8,243	1.6	1,838	21.6	40,587	4.6
50 - 99	515	8.0	24,914	6.5	201	9.6	12,441	2.5	716	8.4	37,355	4.2
100 - 499	660	10.2	83,900	21.9	378	18.0	70,047	14.3	1,038	12.2	153,947	17.6
500 - 999	123	1.9	46,170	12.0	80	3.8	42,773	8.7	203	2.3	88,943	10.1
1000 - 1999	77	1.2	63,650	16.6	53	2.5	50,425	10.2	130	1.5	114,075	13.0
2000 - 9999	47	.7	79,018	20.6	50	2.3	141,248	28.8	97	1.1	220,266	25.2
10000-29999	4		24,893	6.5	12	.5	136,558	27.8	16	.1	161,451	18.5
30000 and over	1		8,844	2.3	1		24,539	5.0	2		33,383	3.8
TOTAL	6,416	100.0	382,404	100.0	2,089	100.0	489,764	100.0	8,505	100.0	872,168	100.0

MEMBERSHIP IN ONTARIO IN CONTRIBUTORY AND NON-CONTRIBUTORY PLANS
BY PUBLIC AND PRIVATE SECTORS AND BY MEMBERSHIP-SIZE GROUP-1974

Membership Size Group	CONTRIBUTORY				NON-CONTRIBUTORY				TOTAL			
	Plans		Members in Ontario		Plans		Members in Ontario		Plans		Members in Ontario	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Both Sectors												
less than 5	1,647	25.1	3,798	.3	663	31.6	1,274	.2	2,310	26.7	5,072	.3
5 - 9	1,200	18.3	7,679	.8	185	8.8	1,132	.2	1,385	16.0	8,811	.6
10 - 14	703	10.7	7,401	.7	108	5.1	1,094	.2	811	9.3	8,495	.5
15 - 49	1,499	22.9	32,908	3.4	361	17.2	8,243	1.6	1,860	21.5	41,151	2.8
50 - 99	524	8.0	25,470	2.6	201	9.5	12,441	2.5	725	8.3	37,911	2.6
100 - 499	679	10.3	89,191	9.3	378	18.0	70,047	14.2	1,057	12.2	159,238	11.0
500 - 999	133	2.0	52,410	5.4	80	3.8	42,773	8.6	213	2.4	95,183	6.5
1000 - 1999	84	1.2	72,205	7.5	54	2.5	51,019	10.3	138	1.5	123,224	8.5
2000 - 9999	56	.8	111,493	11.6	51	2.4	142,823	29.0	107	1.2	254,316	17.5
10000 - 29999	7	.1	50,835	5.3	12	.5	136,558	27.7	19	.2	187,393	12.9
30000 and over	8	.1	500,700	52.4	1		24,539	4.9	1	.1	525,239	36.3
TOTAL	6,540	100.0	954,090	100.0	2,094	100.0	491,943	100.0	8,634	100.0	1,446,033	100.0

TABLE 4

Number and Percentage of Pension Plans by Industry
with Ontario Membership by Sex - 1974

Industry	P L A N S		M E M B E R S		O N T A R I O	
	Number	%	Males Number	%	Females Number	Total Number
Agriculture	46	.5	698		69	767
Forestry	6		76		2	78
Mining	111	1.2	34,673	3.3	1,267	35,940
Manufacturing						
Food and Beverages	348	4.0	33,649	3.2	7,830	41,479
Tobacco Products	13	.1	1,745	.1	606	2,351
Rubber Industries	46	.5	15,662	1.5	2,669	18,331
Leather	44	.5	2,103	.2	683	2,786
Textile	99	1.1	3,863	.3	2,220	6,083
Knitting Mills	25	.2	284		201	485
Clothing	66	.7	2,739	.2	4,587	7,326
Wood	74	.8	1,900	.1	227	2,127
Furniture & Fixtures	74	.8	3,425	.3	968	4,393
Paper and Allied Industries	131	1.5	26,535	2.5	2,389	28,924
Printing and Publishing	287	3.3	18,898	1.8	4,112	23,010
Primary Metals	121	1.4	48,471	4.6	2,119	50,590
Metal Fabricating	542	6.2	36,561	3.5	4,665	41,226
Machinery	265	3.0	36,784	3.5	4,327	41,111
Transportation Equipment	195	2.2	96,596	9.2	9,437	106,033
Electrical Products	214	2.4	40,299	3.8	15,000	55,299
Non-Metallic Mineral Products	125	1.4	12,092	1.1	1,901	13,993
Petroleum and Coal Products	16	.1	9,572	.9	2,424	11,996
Chemical	261	3.0	26,493	2.5	6,058	32,551
Miscellaneous	256	2.9	11,378	1.0	4,296	15,674
Construction	529	6.1	38,248	3.6	507	38,755
Transportation and Communication	423	4.8	98,783	9.4	22,232	121,015
Trade						
Wholesale	1,416	16.4	24,860	2.3	5,195	30,055
Retail	719	8.3	29,321	2.8	18,208	47,529
Finance, Insurance & Real Estate	691	8.0	37,015	3.5	38,645	75,660
Community Business & Personal Service						
Public Administration & Defense	1,427	16.5	121,098	11.6	147,903	269,001
	64	.7	226,413	21.7	95,052	321,465
TOTAL	8,634	100.0	1,040,234	100.0	405,792	1,446,032

Number and Percentage of Pension Plans in Ontario
by Type of Organization with Membership by Sex - 1974

Type of Employer Organization	P L A N S		M E M B E R S I N O N T A R I O			
			Males		Females	
	Number	%	Number	%	Number	%
Incorporated Company	7,537	87.2	584,163	56.1	152,053	37.4
Partnership	103	1.1	624		632	.1
Sole Proprietorship	67	.7	319		60	
Association	327	3.7	3,489	.3	2,500	.6
Co-Operative	106	1.2	3,081	.2	718	.1
Federal Government or Agency	21	.1	128,960	12.3	44,168	10.8
Provincial Government or Agency	34	.3	118,205	11.3	113,113	27.8
Municipal Government or Agency	73	.7	101,019	9.6	68,388	16.8
Multi Employer	95	1.1	79,028	7.5	11,692	2.8
Other	271	3.1	21,346	2.0	12,475	3.0
TOTAL	8,634	100.0	1,040,234	100.0	405,799	100.0
					1,446,033	100.0

FUNDING INSTRUMENT BY TYPE OF PLAN IN ONTARIO - 1974

Type of Plan	Insurance Company Contracts				Trusteed				Canadian Government Annuities			
	Plans		Members in Ontario		Plans		Members in Ontario		Plans		Members in Ontario	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
UNIT BENEFIT												
Final Earnings	6		158		9	.3	1,599	.1				
Final Average Earnings	108	1.7	9,801	4.4	167	7.1	41,555	4.3				
Average Best Earnings	301	4.9	33,566	15.1	417	17.8	401,826	41.7				
Career Average Earnings	1,976	32.7	96,114	43.2	712	30.5	220,777	22.9	7	7.3	73	19.0
Level Percent of Earnings	12	.1	102		8	.3	93					
TOTAL	2,403	39.7	139,741	62.9	1,313	56.2	665,850	69.1	7	7.3	73	19.0
Money Purchase	3,162	52.3	49,051	22.0	423	18.1	23,404	2.4	71	74.7	232	60.4
Profit Sharing	54	.8	829	.3	97	4.1	9,194	.9				
Flat Benefit	206	3.4	34,112	10.8	420	18.0	240,872	25.0	16	16.8	77	20.0
Composite	126	2.0	6,561	2.9	48	2.0	12,800	1.3				
Other	90	1.4	1,851	.8	32	1.3	11,039	1.1	1	1.0	2	.5
GRAND TOTAL	6,041	100.0	222,145	100.0	2,333	100.0	963,159	100.0	95	100.0	394	100.0

FUNDING INSTRUMENT BY TYPE OF PLAN IN ONTARIO - 1974

Type of Plan	Combinations				Government Consolidated Revenue Funds			
	Plans		Members in Ontario		Plans		Members in Ontario	
	Number	%	Number	%	Number	%	Number	%
UNIT BENEFIT								
Final Earnings								
Final Average Earnings	8	5.2	6,367	13.0				
Average Best Earnings	16	10.4	1,418	2.8	4	66.6	210,725	99.7
Career Average Earnings	59	38.5	29,417	60.1	2	33.3	465	.2
Level Percent of Earnings								
TOTAL	83	54.2	37,202	76.0	6	100.0	211,190	100.0
Money Purchase	46	30.0	1,559	3.1				
Profit Sharing	1	.6	8					
Flat Benefit	16	10.4	9,657	19.7				
Composite	5	3.2	411	.8				
Other	2	1.3	107	.2				
GRAND TOTAL	153	100.0	48,944	100.0	6	100.0	211,190	100.0

TABLE 6

FUNDING INSTRUMENT BY TYPE OF PLAN IN ONTARIO - 1974

Type of Plan	OTHER				TOTAL			
	Plans		Members in Ontario		Plans		Members in Ontario	
	Number	%	Number	%	Number	%	Number	%
Unit Benefit								
Final Earnings					15	.1	1,757	.1
Final Average Earnings	1	16.6	77	36.4	284	3.2	57,800	3.9
Average Best Earnings	2	33.3	20	9.4	740	8.5	647,555	44.7
Career Average Earnings	2	33.3	108	51.1	2,758	31.9	346,954	23.9
Level Percent of Earnings					20	.2	195	
TOTAL	5	83.3	205	97.1	3,817	44.2	1,054,261	72.9
Money Purchase Profit Sharing	1	16.6	6	2.8	3,703	42.8	74,252	5.1
Flat Benefit Composite					152	1.7	10,031	.6
Other					658	7.6	274,718	18.9
					179	2.0	19,772	1.3
					125	1.4	12,999	.8
GRAND TOTAL	6	100.0	211	100.0	8,634	100.0	1,446,033	100.0

Funding Instrument: Contributory and Non-Contributory
Plans in Ontario with Membership by Sex - 1974

P L A N S		M E M B E R S I N O N T A R I O					
Contributory Plans		Males		Females		Total	
	Number	Number	%	Number	%	Number	%
Insurance Co. Contracts, Total	5,001	125,633	19.6	38,268	12.2	163,901	17.1
Individual Group	481	1,574	.2	341	.1	1,915	.2
Deposit Administration	3,175	51,741	8.0	13,337	4.2	65,078	6.8
Segregated Fund	387	17,337	2.7	6,732	2.1	24,069	2.5
Combinations	560	28,006	4.3	6,434	2.0	34,440	3.6
Trusteed Total	398	26,975	4.2	11,424	3.6	38,399	4.0
Corporate Trustee	1,323	349,159	54.5	205,126	65.4	544,285	58.0
Individual Trustee	1,081	153,606	23.9	65,969	21.0	219,575	23.0
Pension Fund Society	225	189,602	29.5	134,283	42.8	323,885	33.9
Combinations	11	5,384	.8	4,647	1.4	10,031	1.0
Canadian Gov.'t. Annuities	6	567	.	227		794	
Combinations	92	286	1.4	85		371	
Gov.'t. Consolidated Rev. Funds	114	19,551	3.0	4,601	1.4	24,152	2.5
Other	6	145,826	22.7	65,364	20.8	211,190	22.1
	4	122		69		191	
TOTAL	6,540	640,577	100.0	313,513	100.0	954,090	100.0

Funding Instrument: Contributory and Non-Contributory
Plans in Ontario with Membership by Sex - 1974

MEMBERS IN ONTARIO

PLANS

Non-Contributory Plans	Males		Females		Total	
	Number	%	Number	%	Number	%
Insurance Co. Contracts, Total	1,040	49.6	48,241	12.0	10,003	10.8
Individual	235	11.2	523	.1	105	.1
Group	444	21.2	5,719	1.4	1,723	1.8
Deposit Administration	139	6.6	16,617	4.1	3,423	3.7
Segregated Fund	130	6.2	20,122	5.0	3,133	3.3
Combinations	92	4.3	5,260	1.3	1,619	1.7
Trusteed Total	1,010	48.2	332,740	83.2	76,134	82.4
Corporate Trustee	871	41.5	272,915	68.2	50,519	54.7
Individual Trustee	129	6.1	53,494	13.3	21,451	23.2
Pension Fund Society	1		1,555	.4	3,463	3.7
Combinations	9	.4	4,366	1.0	681	.7
Canadian Gov.'t. Annuities	3	.1	5		8	
Combinations	39	1.8	18,661	4.6	6,131	6.6
Gov.'t. Consolidated Rev. Funds						
Other	2		10		10	
TOTAL	2,094	100.0	399,657	100.0	92,286	100.0
					491,943	100.0

MEMBERS IN ONTARIO

PLANS

All Plans

	Males		Females		Total	
	Number	%	Number	%	Number	%
Insurance Co. Contracts, Total	6,041	69.9	48,271	11.8	222,145	15.3
Individual	716	8.2	446	.1	2,543	.1
Group	3,619	41.9	15,060	3.7	72,520	5.0
Deposit Administration	526	6.0	10,155	2.5	44,109	3.0
Segregated Fund	690	7.9	9,567	2.3	57,695	3.9
Combinations	490	5.6	13,043	3.2	45,278	3.1
Trusted Total	2,333	27.0	281,260	69.3	963,159	66.6
Corporate Trustee	1,952	22.6	116,488	28.7	543,009	37.5
Individual Trustee	354	4.1	155,734	38.3	398,830	27.5
Pension Fund Society	12	.1	8,130	2.0	15,479	1.0
Combinations	15	.1	908	.2	5,841	.4
Canadian Gov.'t. Annuities	95	1.1	93		384	
Combinations	153	1.7	10,732	2.6	48,944	3.3
Gov.'t. Consolidated Rev. Funds	6		65,364	16.1	211,190	14.6
Other	6		79		211	
TOTAL	8,634	100.0	405,799	100.0	1,446,033	100.0

Pension Plans in Ontario by Type of Plan - Number
and Percentage of Plans and Membership by Sex - 1974

P L A N S		M E M B E R S I N O N T A R I O					
Type of Plan	Number	Males		Females		Total	
		Number	%	Number	%	Number	%
Unit Benefit							
Final Earnings	15	1,118	.1	639	.1	1,757	.1
Final Average Earnings	284	35,478	3.4	22,322	5.5	57,800	3.9
Average Best Earnings	740	393,564	37.8	253,991	62.5	647,555	44.7
Career Average Earnings	2,758	263,357	25.3	83,597	20.6	346,954	23.9
Level Percentage of Earnings	20	162	.2	33		195	
SUB-TOTAL		693,679	66.6	360,582	88.8	1,054,261	72.9
Money Purchase	3,817						
Profit Sharing	3,703	64,291	6.1	9,961	2.4	74,252	5.1
Flat Benefit	152	7,425	.7	2,606	.6	10,031	.6
Composite	658	248,842	23.9	25,876	6.3	274,718	18.9
Other	179	16,200	1.5	3,572	.8	19,772	1.3
	125	9,797	.9	3,202	.7	12,999	.8
TOTAL	8,634	1,040,234	100.0	405,799	100.0	1,446,033	100.0

Normal Retirement Age in the Public and Private Sectors
Plans and Members in Ontario - 1974

Normal Retirement Age	Public Sector				Private Sector				Both Sectors			
	Plans		Members in Ontario		Plans		Members in Ontario		Plans		Members in Ontario	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Under 50												
50	1	.8	594	.1	1		78		2		672	
51												
52												
53												
54												
55	1	.8	117		9	.1	98		10	.1	215	
56												
57												
58												
59												
60	9	7.0	130,643	22.8	345	4.1	8,954	1.0	354	4.1	139,597	9.7
61												
62					16	.2	5,008	.6	16	.2	5,008	.3
63					12	.1	10,945	1.3	12	.1	10,945	.8
64					2		784	.1	2		784	.1
65	93	72.1	258,982	45.1	6,986	82.1	763,427	87.5	7,079	82.0	1,022,409	70.7
66					5	.1	1,022	.1	5	.1	1,022	.1
67					8	.1	569	.1	8	.1	569	
68					19	.2	2,473	.3	19	.2	2,473	.2
69	1	.8			2		2		3		3	
70	1	.8	5		79	.9	4,108	.5	80	.9	4,113	.3
Over 70					2		136		2		136	
Variable by Sex	18	14.0	22,206	3.9	984	11.6	42,143	4.8	1,002	11.6	64,349	4.5
Other	5	3.9	161,317	28.1	35	.4	32,421	3.7	40	.5	193,738	13.4
TOTAL	129	100.0	573,865	100.0	8,505	100.0	872,168	100.0	8,634	100.0	1,446,033	100.0

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NUMBER AND PERCENTAGE OF PLANS AND MEMBERSHIP IN ONTARIO BY JURISDICTION AND MEMBERSHIP SIZE GROUP AS AT 1 JANUARY 1970

Membership by Size Group	Under Ontario Supervision			Under Quebec Supervision			Under Alberta Supervision				
	Plans		Members in Ontario	Plans		Members in Ontario	Plans		Members in Ontario		
	Number	%		Number	%		Number	%			
less than 5	2,907	37.4	6,401	22	3.4	25	1	1.8	2	.1	
5-9	1,266	16.3	8,137	52	8.1	81	2	3.6	2	.1	
10-14	666	8.5	7,435	56	8.8	156	3	21.4	59	3.8	
15-49	1,413	18.2	35,328	168	26.3	954	2.0	19.6	115	7.4	
50-99	540	7.0	31,990	89	14.0	1,315	2.8	35.7	277	17.7	
100-499	695	9.0	125,943	167	26.2	6,719	14.1	5.4	425	27.2	
500-999	132	1.7	72,419	37	5.8	5,275	11.1	8.9	581	37.2	
1000-1999	86	1.1	97,460	21	3.3	6,486	13.6	3.6	101	6.5	
2000-9999	53	.7	166,257	24	3.8	15,809	33.2				
10000-29999	9	.1	117,143	2	.3	10,783	22.7				
30000 andover	4		249,537								
TOTAL	7,771	100.0	918,050	*638	100.0	*47,603	100.0	56	100.0	1,562	100.0

Not subject to pension legislation
but having members in Ontario

Under Federal Supervision

Under Saskatchewan Supervision

Membership by Size Group	Plans			Members in Ontario			Plans			Members in Ontario			Plans			Members in Ontario		
	Number	%		Number	%		Number	%		Number	%		Number	%		Number	%	
less than 5																		
5-9	1	5.0	6	1.8	34	16.3	89	.1										
10-14	6	30.0	12	3.6	19	9.1	114	.1										
15-49	3	15.0	14	4.2	11	5.3	93	.1										
50-99	6	30.0	108	32.4	47	22.6	927	.8										
100-499	2	10.0	136	40.9	23	11.1	1,241	1.0										
500-999					28	13.5	3,080	2.6										
1000-1999					13	6.3	2,937	2.5										
2000-9999					13	6.3	5,843	5.0										
10000-29999	2	10.0	57	17.1	12	5.7	30,189	25.8										
30000 and over					5	2.4	23,189	19.8										
					3	1.4	49,412	42.2										
Total	20	100.0	333	100.0	*208	100.0	*117,114	100.0										

Total Plans and Membership in Ontario

Plans			Members in Ontario		
Number	%	Number	%	Number	%
2,963	34.1	6,515	.5		
1,337	15.4	8,333	.7		
736	8.5	7,692	.6		
1,646	19.0	37,280	3.0		
665	7.7	34,654	2.8		
916	10.5	136,499	11.2		
182	2.1	80,671	6.6		
121	1.4	109,085	8.9		
94	1.1	214,652	17.6		
16	.1	151,115	12.4		
9	.1	435,620	35.7		
Total	8,685	100.0	1,222,116	100.0	

* There are 14 pension plans with 2,027 members in Ontario subject to dual supervision by the Quebec Pension Board and the Department of Insurance, Ottawa.

Number and Percentage of Pension Plans and Members in
Ontario by Membership Size Group - 1970

PLANS MEMBERS IN ONTARIO

Membership Size Group	PLANS		Males		Females		Total	
	Number	%	Number	%	Number	%	Number	%
1 - 4	2,963	34.1	5,350	.6	1,165	.4	6,515	.5
5 - 9	1,337	15.4	6,980	.8	1,353	.4	8,333	.7
10 - 14	736	8.5	6,333	.7	1,359	.4	7,692	.6
15 - 49	1,646	19.0	30,355	3.3	6,925	2.2	37,280	3.0
50 - 99	665	7.6	28,135	3.1	6,519	2.1	34,654	2.8
100 - 199	508	5.8	41,246	4.5	9,992	3.2	51,238	4.2
200 - 499	408	4.7	68,425	7.5	16,836	5.3	85,261	7.0
500 - 999	182	2.1	66,790	7.4	13,881	4.4	80,671	6.7
1000 - 1999	121	1.4	87,074	9.6	22,011	7.0	109,085	9.0
2000 - 2999	39	.4	33,118	3.7	8,400	2.7	41,518	3.4
3000 - 3999	14	.2	24,896	2.7	5,254	1.7	30,150	2.5
4000 - 4999	17	.2	34,114	3.8	9,240	2.9	43,354	3.5
5000 - 9999	24	.3	88,596	9.8	11,034	3.5	99,630	8.1
10000 AND OVER	25	.3	386,014	42.5	200,721	63.8	586,735	48.0
TOTAL	8,685	100.0	907,426	100.0	314,690	100.0	1,222,116	100.0

MEMBERSHIP IN ONTARIO IN CONTRIBUTORY AND NON-CONTRIBUTORY PLANS
BY PUBLIC & PRIVATE SECTORS AND BY SIZE GROUP 1970

Membership Size Group	Contributory				Non-Contributory				Total			
	Plans		Members in Ontario		Plans		Members in Ontario		Plans		Members in Ontario	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Public Sector												
Less than 5	32	23.1	75		1	20.0	1		33	23.0	76	
5 - 9	12	8.6	74						12	8.3	74	
10 - 14	8	5.7	99						8	5.5	99	
15 - 49	25	18.1	649	.1	1	20.0	29	.6	26	18.1	678	.1
50 - 99	8	5.7	556	.1					8	5.5	556	.1
100 - 499	17	12.3	4,101	.8	1	20.0	177	4.2	18	12.5	4,278	.8
500 - 999	9	6.5	5,410	1.1	1	20.0			9	6.2	5,410	1.1
1000 - 1999	9	6.5	11,940	2.4	1	20.0	513	12.2	10	6.9	12,453	2.5
2000 - 9999	9	6.5	35,284	7.3					9	6.2	35,284	7.2
10000 - 29999	2	1.4	18,606	3.8	1	20.0	3,502	83.0	3	2.0	22,108	4.5
30000 and over	7	5.0	403,898	84.0					7	4.8	403,898	83.2
Total	138	100.0	480,692	100.0	5	100.0	4,222	100.0	143	100.0	484,914	100.0
Private Sector												
Less than 5	1,963	30.1	4,569	1.2	967	47.5	1,870	.4	2,930	34.3	6,439	.8
5 - 9	1,153	17.7	7,262	2.0	172	8.4	997	.2	1,325	15.5	8,259	1.1
10 - 14	645	9.9	6,726	1.8	83	4.0	867	.2	728	8.5	7,593	1.0
15 - 49	1,384	21.2	30,877	8.5	236	11.5	5,725	1.5	1,620	18.9	36,602	4.9
50 - 99	510	7.8	25,520	7.0	147	7.2	8,573	2.2	657	7.6	34,093	4.6
100 - 499	616	9.4	78,863	21.7	282	13.8	53,353	14.2	893	10.5	132,221	17.9
500 - 999	113	1.7	41,835	11.5	60	2.9	33,426	8.9	173	2.0	75,261	10.2
1000 - 1999	68	1.0	53,554	14.7	43	2.1	43,078	11.4	111	1.2	96,632	13.1
2000 - 9999	50	.7	85,682	23.6	35	1.7	93,685	24.9	85	.9	179,386	24.3
10000 - 29999	4		17,015	4.7	9	.4	111,992	29.8	13	.1	129,007	17.4
30000 and over	1		9,951	2.7	1		21,771	5.8	2		31,722	4.3
Total	6,507	100.0	361,854	100.0	2,035	100.0	375,342	100.0	8,542	100.0	737,202	100.0

Membership Size Group	<u>Contributory</u>			<u>Non-Contributory</u>			<u>Total</u>		
	Plans	Members in Ontario	%	Plans	Members in Ontario	%	Plans	Members in Ontario	%
	Number	Number	%	Number	Number	%	Number	Number	%
Both Sectors									
less than 5	1,995	4,644	30.0	968	1,871	.4	2,963	34.1	5
5 - 9	1,165	7,336	17.5	172	997	.2	1,337	15.4	.7
10 - 14	653	6,825	9.8	83	867	.2	736	8.5	.6
15 - 49	1,409	31,526	21.2	237	5,754	1.5	1,646	19.0	3.0
50 - 99	518	26,076	7.7	147	8,578	2.2	665	7.7	2.8
100 - 499	633	82,964	9.5	283	53,535	14.1	916	10.5	11.2
500 - 999	122	47,245	1.8	70	33,426	8.8	182	2.1	6.6
1000 - 1999	77	65,494	1.1	44	43,591	11.4	121	1.4	8.9
2000 - 9999	59	120,966	.8	35	93,686	24.6	94	1.1	17.6
10000 - 29999	6	35,621	.1	10	115,494	30.4	16	.1	12.4
30000 and over	8	413,292	.1	1	21,771	5.7	9	.1	35.7
Total	6,645	841,989	100.0	2,040	379,570	100.0	8,685	100.0	100.0

Number and Percentage of Pension Plans by Industry
with Ontario Membership by Sex - 1970

Industry	P L A N S						M E M B E R S I N O N T A R I O					
	Number	%	Males		Females		Total		Number	%	Total	%
			Number	%	Number	%	Number	%				
Agriculture	43	.4	606		53		659					
Forestry	5		47		3		50					
Mining	107	1.2	35,559	3.9	1,654	.5	37,213	3.0				
Manufacturing												
Food and Beverages	342	3.9	30,386	3.3	6,363	2.0	36,749	3.0				
Tobacco Products	11	.1	1,099	.1	465	.1	1,564	.1				
Rubber Industries	42	.4	15,982	1.7	3,027	.9	19,009	1.5				
Leather	52	.5	2,371	.2	848	.2	3,219	.2				
Textile	110	1.2	4,731	.5	1,924	.6	6,655	.5				
Knitting Mills	33	.3	368		264		632					
Clothing	91	1.0	3,464	.3	3,634	1.1	7,098	.5				
Wood	78	.8	1,694	.1	140		1,834	.1				
Furniture and Fixtures	90	1.0	3,446	.3	662	.2	4,108	.3				
Paper and Allied Industries	134	1.5	28,797	3.1	2,288	.7	31,085	2.5				
Printing and Publishing	293	3.3	13,659	1.5	3,657	.5	17,316	1.4				
Primary Metals	117	1.3	39,067	4.3	1,827	.5	40,894	3.3				
Metal Fabricating	510	5.8	30,410	3.3	3,705	1.1	34,115	2.7				
Machinery	215	2.4	35,781	3.9	3,635	1.1	39,416	3.2				
Transportation Equipment	190	2.1	88,469	9.7	8,378	2.6	96,847	7.9				
Electrical Products	215	2.4	39,542	4.3	13,482	4.2	53,024	4.3				
Non-Metallic Mineral Products	132	1.5	8,963	.9	1,055	.3	10,018	.8				
Petroleum and Coal Products	13	.1	5,832	.6	1,214	.3	7,046	.5				
Chemical	252	2.9	26,464	2.9	4,354	1.3	30,818	2.5				
Miscellaneous	249	2.8	9,583	1.0	3,373	1.0	12,956	1.0				
Construction	549	6.3	19,247	2.1	410	.1	19,657	1.6				
Transportation and Communication	364	4.1	92,456	10.1	19,675	6.2	112,131	9.1				
Trade												
Wholesale	1,422	16.3	20,201	2.2	3,311	1.0	23,512	1.9				
Retail	802	9.2	19,154	2.1	10,909	3.4	30,063	2.4				
Finance, Insurance & Real Estate	734	8.4	32,894	3.6	33,227	10.5	66,121	5.4				
Community Business & Personal												
Service	1,430	16.4	85,297	9.3	108,053	34.3	193,350	15.8				
Public Administration & Defense	60	.6	211,857	23.3	73,100	23.2	284,957	23.3				
TOTAL	8,685	100.0	907,426	100.0	314,690	100.0	1,222,116	100.0				

Number and Percentage of Pension Plans in Ontario
by Type of Organization with Membership by Sex - 1970

MEMBERS IN ONTARIO

PLANS

Type of Employer Organization	Number	Males		Females		Total	
		Number	%	Number	%	Number	%
Incorporated Company	7,655	525,880	58.0	124,017	39.4	649,897	53.2
Partnership	107	750	.1	517	.2	1,267	.1
Sole Proprietorship	70	254		69		323	
Association	307	3,081	.3	2,089	.7	5,170	.4
Co-Operative	87	2,498	.2	447	.1	2,945	.2
Federal Government or Agency	25	133,573	14.7	41,304	13.1	174,877	14.3
Provincial Government or Agency	28	101,237	11.2	80,197	25.5	181,434	14.9
Municipal Government or Agency	88	77,617	8.6	50,971	16.2	128,588	10.5
Multi Employer	70	46,988	5.2	6,144	2.0	53,132	4.4
Other	248	15,548	1.7	8,935	2.8	24,483	2.0
TOTAL	8,685	907,426	100.0	314,690	100.0	1,222,116	100.0

FUNDING INSTRUMENT BY TYPE OF PLAN IN ONTARIO - 1970

Type of Plan	Insurance Company Contracts				Trusteed				Canadian Government Annuities			
	Plans		Members in Ontario		Plans		Members in Ontario		Plans		Members in Ontario	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Final & Final Average Earnings	211	3.5	21,299	11.4	483	21.1	321,569	40.0	10	5.6	293	21.1
Career Average	1,950	32.5	105,151	56.5	713	31.3	193,885	24.1	142	80.0	886	63.9
Money Purchase	3,371	56.2	32,511	17.4	540	23.8	14,236	1.8	24	13.4	205	14.8
Flat Benefit	166	2.7	15,727	8.5	354	15.6	227,911	28.4				
Profit Sharing												
Pension	64	1.0	820	.44	113	5.0	9,298	1.2	2	1.0	5	.2
Composite Formula	254	4.1	10,978	5.8	75	3.2	36,232	4.5				
& Other												
TOTAL	6,016	100.0	186,486	100.0	2,278	100.0	803,131	100.0	178	100.0	1,389	100.0

Type of Plan	Combinations				Government Consolidated Revenue Funds				Other			
	Plans		Members in Ontario		Plans		Members in Ontario		Plans		Members in Ontario	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Final & Final Average Earnings	18	9.1	2,853	8.9	4	57.2	198,545	99.8	4	33.3	325	54.6
Career Average	74	38.1	22,933	72.7	2	28.6	465	.2	4	33.3	208	34.9
Money Purchase	84	43.2	3,841	12.1	1	14.2	2		3	25.0	54	9.0
Flat Benefit	11	5.6	1,474	4.6								
Profit Sharing												
Pension	2	1.0	28									
Composite Formula	5	2.5	373	1.1					1	8.4	9	1.5
& Other												
TOTAL	194	100.0	31,502	100.0	7	100.0	199,012	100.0	12	100.0	596	100.0

T O T A L

Type of Plan	<u>PLANS</u>		<u>Members in Ontario</u>	
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
Final & Final	720	8.3	544,591	44.6
Average Earnings	2,753	31.7	322,935	26.4
Career Average	4,141	47.7	51,530	4.2
Money Purchase	555	6.4	245,317	20.1
Flat Benefit	179	2.0	10,146	.8
Profit Sharing				
Composite Formula	337	3.9	47,597	3.9
& Other				
TOTAL	8,685	100.0	1,222,116	100.0

Funding Instrument: Contributory and Non-Contributory
Plans in Ontario with Membership by Sex - 1970

Contributory Plans	P L A N S				M E M B E R S I N O N T A R I O			
	Males		Females		Total			
	Number	%	Number	%	Number	%		
Insurance Co. Contracts, Total	4,952	74.5	121,765	20.4	32,321	13.2	154,086	18.3
Individual	683	10.3	2,445	.4	499	.2	2,944	.4
Group	3,576	53.8	72,004	12.1	18,416	7.5	90,420	10.7
Deposit Administration	313	4.7	19,159	3.2	5,128	2.1	24,287	2.9
Segregated Fund	169	2.5	12,756	2.1	2,585	1.1	15,341	1.8
Combinations	211	3.2	15,401	2.6	5,693	2.3	21,094	2.5
Trusted Total	1,348	20.3	305,559	51.2	157,969	64.2	463,528	55.0
Corporate Trustee	1,128	17.0	162,598	27.3	52,320	21.3	214,918	25.5
Individual Trustee	203	3.1	135,407	22.7	98,021	39.8	233,428	27.7
Pension Fund Society	14	.2	7,064	1.2	7,355	3.0	14,419	1.7
Combinations	3		490		273	.1	763	.1
Canadian Gov.'t. Annuities	170	2.6	1,096	.2	258	.2	1,354	.2
Combinations	159	2.4	20,565	3.5	3,677	1.5	24,242	2.9
Gov.'t. Consolidated Rev. Funds	7	.1	147,487	24.7	51,525	21.0	199,012	23.6
Other	9	.1	206		118		324	
TOTAL	6,645	100.0	596,678	100.0	245,868	100.0	842,546	100.0

PLANS

MEMBERS IN ONTARIO

Non-Contributory Plans	P L A N S		Males		Females		Total	
	Number	%	Number	%	Number	%	Number	%
Insurance Co. Contracts,								
Total	1,064	52.2	26,576	8.6	5,824	8.5	32,400	8.5
Individual	334	16.4	684	.2	120	.2	804	.2
Group	530	26.0	5,496	1.8	1,388	2.0	6,884	1.8
Deposit Administration	103	5.0	14,609	4.7	2,308	3.4	16,917	4.4
Segregated Fund	36	1.8	4,001	1.3	909	1.4	4,910	1.3
Combinations	61	3.0	1,786	.6	1,099	1.6	2,885	.8
Trusted Total	930	45.6	279,325	89.9	60,278	87.6	339,603	89.5
Corporate Trustee	772	37.8	223,314	71.9	39,465	57.4	262,779	69.2
Individual Trustee	153	7.5	51,129	16.4	19,986	29.0	71,115	18.8
Pension Fund Society								
Combinations	5	.2	4,882	1.6	827	1.2	5,709	1.5
Canadian Gov.'t. Annuities	8	.4	21		14		35	
Combinations	35	1.7	4,688	1.5	2,572	3.7	7,260	1.9
Gov.'t. Consolidated Rev.								
Funds								
Other	3	.1	138		134	.2	272	.1
TOTAL	2,040	100.0	310,748	100.0	68,822	100.0	379,570	100.0

Funding Instrument: Contributory and Non-Contributory
Plans in Ontario with Membership by Sex - 1970

All Plans	P L A N S				M E M B E R S I N O N T A R I O			
	Number	Males		%	Females		Total	%
		Number	%		Number	%	Number	
Insurance Co. Contracts, Total	6,016	148,341	16.4	69.3	38,145	12.2	186,486	15.3
Individual	1,017	3,129	.3	11.7	619	.2	3,748	.3
Group	4,106	77,500	8.6	47.3	19,804	6.3	97,304	8.0
Deposit Administration	416	33,768	3.7	4.8	7,436	2.3	41,204	3.4
Segregated Fund	205	16,757	1.9	2.4	3,494	1.2	20,251	1.7
Combinations	272	17,187	1.9	3.1	6,792	2.2	23,979	1.9
Trusteed Total	2,278	584,884	64.5	26.2	218,247	69.4	803,131	65.7
Corporate Trustee	1,900	385,912	42.5	21.9	91,785	29.2	477,697	39.1
Individual Trustee	356	186,536	20.6	4.1	118,007	37.5	304,543	24.9
Pension Fund Society	14	7,064	.7	.2	7,355	2.3	14,419	1.1
Combinations	8	5,372	.6		1,100	.4	6,472	.5
Canadian Gov.'t. Annuities	178	1,117	.1	2.1	272		1,389	.1
Combinations	194	25,253	2.7	2.3	6,249	2.0	31,502	2.6
Gov.'t. Consolidated Rev. Funds	7	147,487	16.3		51,525	16.4	199,012	16.3
Other	12	344		.1	252		596	
TOTAL	8,685	907,426	100.0	100.0	314,690	100.0	1,222,116	100.0

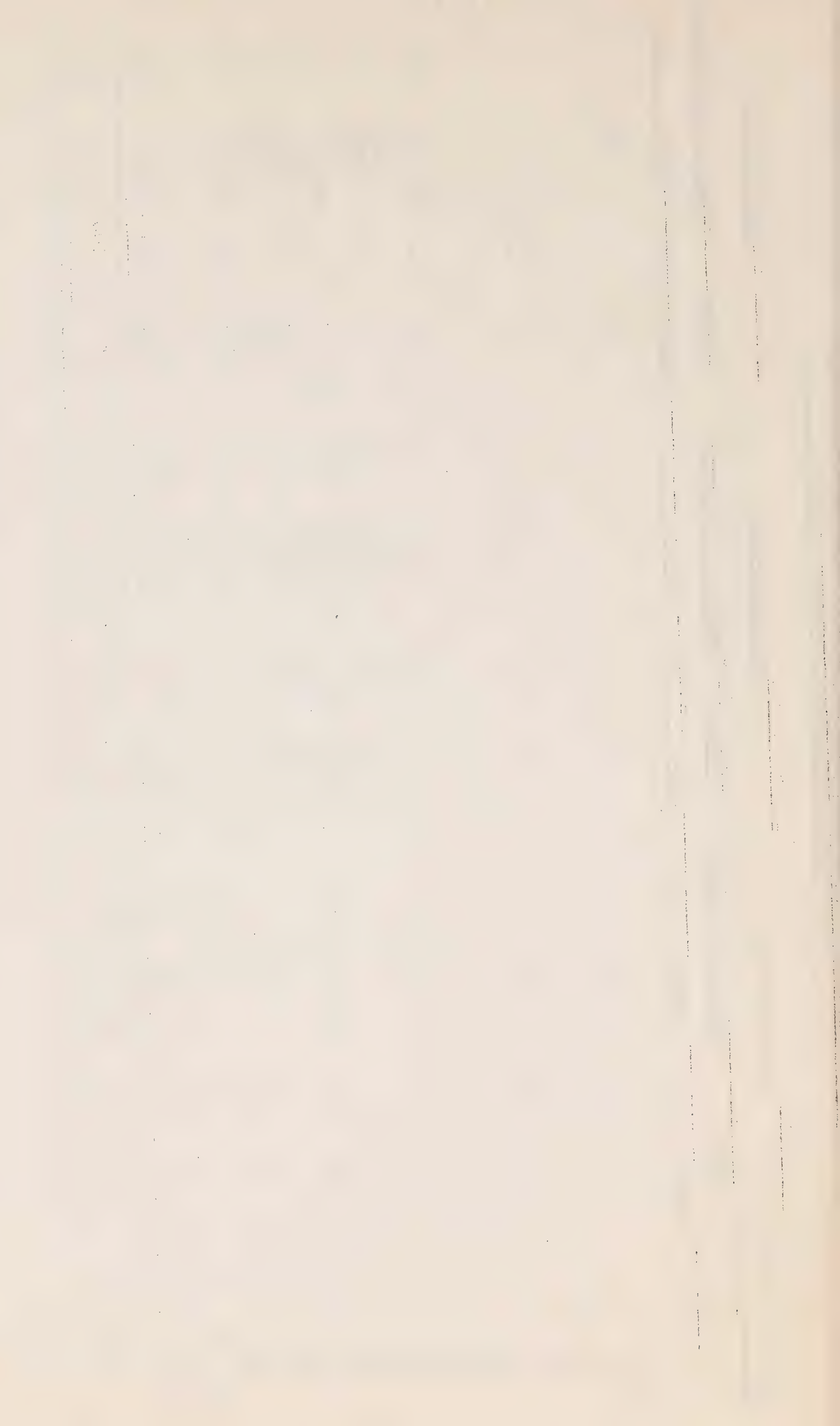
Pension Plans in Ontario by Type of Plan - Number
and Percentage of Plans and Membership by Sex - 1970

<u>Type of Plan</u>	<u>P L A N S</u>				<u>M E M B E R S I N O N T A R I O</u>			
	<u>Males</u>		<u>Females</u>		<u>Total</u>			
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>		
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>		
Final and Final Average Earnings	720	8.3	341,479	37.6	203,112	64.5	544,591	44.6
Career Average	2,753	31.7	249,707	27.5	73,228	23.3	322,935	26.4
Money Purchase	4,141	47.7	42,721	4.7	8,809	2.8	51,530	4.2
Flat Benefit	555	6.4	225,140	24.8	20,177	6.4	245,317	20.1
Profit Sharing Pension and Other	179	2.0	7,859	.9	2,287	.7	10,145	.8
Composite Formula	337	3.9	40,520	4.5	7,077	2.3	47,597	3.9
TOTAL	8,685	100.0	907,426	100.0	314,690	100.0	1,222,116	100.0

Normal Retirement Age in the Public and Private Sectors
Plans and Members in Ontario - 1970

Normal Retirement Age	Public Sector			Private Sector			Both Sectors		
	Plans		Members in Ontario		Plans		Members in Ontario		
	Number	%	Number	%	Number	%	Number	%	Number
Under 50									
50	1	.7	513	.1	1		25		25
51					1		1		514
52									
53									
54									
55	1	.7	117		15	.2	80	.2	197
56									
57									
58									
59									
60	8	5.6	119,865	24.7	532	6.2	4,676	6.2	124,541
61									
62					9	.1	3,805	.1	3,805
63					7	.1	9,401	.1	9,401
64					2		516		516
65	90	62.9	203,313	41.9	6,366	74.5	586,868	74.3	790,181
66					9	.1	1,088	.1	1,088
67	1	.7			11	.1	1,113	.1	1,113
68	1	.7	1		37	.4	8,817	.4	8,818
69	4	2.8	100		2		2		3
70					120	1.4	12,302	1.4	12,402
Over 70					3		145		145
Variable by Sex	32	22.4	29,197	6.0	1,384	16.2	76,914	16.3	106,111
Other	5	3.5	131,807	27.2	43	.5	31,449	.6	163,256
TOTAL	143	100.0	484,914	100.0	8,542	100.0	737,202	100.0	1222,116
							8,685		100.0

Source: Statistics Canada, 1971, "Retirement Plans in the Public and Private Sectors of Ontario, 1970".



TWELFTH ANNUAL REPORT
OF
THE PENSION COMMISSION OF ONTARIO
FOR THE YEAR ENDING 31 MARCH, 1976.

The Pension Commission of Ontario,

8 York Street, 4th Floor, Toronto, Ontario. M5J 2H6

MEMBERS OF THE COMMISSION

Miss Donna J. Haley, Q.C.,	Chairman
Mr. D'Alton S. Rudd,	Vice-Chairman
Mr. Laurence E. Coward,	
Mr. Gordon Milling,	
Mr. Paul A. Kates,	
Mr. John E. Trimble,	(resigned July 31, 1975)
Mr. William J. Saunderson,	
Mr. Terry E. Yates	(resigned April 23, 1975)
Mr. E.B. (Ted) Priestner,	(effective August 27, 1975)
Mr. J. Peter Kennedy.	(effective April 23, 1975)

Superintendent of Pensions	Mr. J. Wells Bentley
Executive Officer	Mr. Patrick W. Neale
Special Projects Officer	Miss Isabelle LeBlanc

TWELFTH ANNUAL REPORT OF THE PENSION COMMISSION
OF ONTARIO, FOR THE YEAR ENDING 31 MARCH, 1976.

The Pension Commission of Ontario, established in August 1963, is charged with the administration and enforcement of The Pension Benefits Act. The Act, in force since 1 January, 1965, preserves pension entitlement for qualified members of a pension plan when they change jobs, establishes standards for solvency and regulates the investment of pension fund monies.

In broad terms, the legislation requires that:

Pension plans with employees in Ontario must be registered with the Commission.

Pensions arising for service in Ontario or a designated province after January 1, 1965, or created under the plan after that date, must be fully vested in an employee after attaining the age of 45 years and having completed 10 or more years of service with his employer or 10 years in a multi-employer pension plan.

Contributions made in respect of the above fully vested pension may not, with certain exceptions, be withdrawn in cash.

The funding of the plan must be such as to meet the specified standards for solvency.

The investments of the funds of the pension plan must be within prescribed limits.

Members of the plan must receive written information as to their rights and duties under the plan and of the terms and conditions of the plan applicable to them.

The Pension Benefits Act has been in force for over 12 years. The Pension Commission's main responsibility is to ensure that pension plans meet the statutory conditions prescribed for solvency, for investment of pension funds and for the preservation of employee entitlements. This involves the examination of new plans filed for registration, of amendments to existing pension plans and of periodical reports such as the Annual Information Return and the triennial valuation.

Up to 31 March 1976, three other provinces and the federal government have enacted legislation substantially similar to this Act. As mentioned in

previous reports, the Commission has entered into reciprocal agreements with Quebec, Alberta, Saskatchewan and the federal government for registration and supervision of plans by one jurisdiction on behalf of the others.

The Province of Manitoba has enacted substantially similar legislation which will come into force on July 1, 1976. It is anticipated that the Province of Manitoba will become a signatory to the Memorandum of Reciprocal Agreement. The Province of Nova Scotia enacted similar legislation which has not yet been proclaimed.

The Canadian Association of Pension Supervisory Authorities (C.A.P.S.A.), held its first public conference in Quebec City in June, 1975. The Pension Commission of Ontario played an active role in the development of the program for this conference, and met several times with officials of other jurisdictions in Canada.

The conference received a number of briefs from organizations such as the Canadian Labour Congress, provincial labour organizations, the Canadian Pension Conference, the Canadian Institute of Actuaries, the Canadian Manufacturers Association, as well as briefs from individual firms and consumers associations. Specifically, those presenting briefs were asked to comment on the effect of the present legislation on the development of private pension plans and the need for changes in pension legislation, particularly with respect to vesting, funding, communications to employees and termination insurance. The briefs, as would be expected, varied considerably in recommendations for changes in legislation.

The conference was attended by over 200 persons and discussions on each of the topics was lively and pertinent to the situation in existence. The members of C.A.P.S.A. have continued to study the

suggestions made with a view to recommending changes to the legislation of their respective governments. The consensus appears to be that future conferences sponsored by C.A.P.S.A. would be of value to both the governments and the public.

The Pension Commission published two studies prepared by its staff during the year. In June, it released a study of trends in "Actuarial Valuation Assumptions" (Appendix "A"). In September, it published a study entitled "Preliminary Report on the Funded Status of Certain Pension Plans Registered with the Pension Commission of Ontario". The Commission will be updating the information in these studies and expects to publish further reports thereon in the fall of 1977.

In the past few years, considerable discussion has taken place concerning the need for escalated or indexed pensions for retired persons. Recognizing that it is desirable for pension plans to provide some form of indexing tied to the C.P.I. or a wage index and that the cost of prefunding these indexed benefits may be very high and uncertain, the Commission recommended an amendment to the regulations made under the Act. The new regulation provides that, where an amendment to a pension plan is made to increase benefits to retired persons in line with changes in a general price or wage index, it will be permissible for the sponsoring employer to fund these indexed benefits on a year by year basis. (OC-714/75)

A further amendment to the regulations allowed employers to prepay up to three years of special payments to liquidate unfunded liabilities (OC-21/76)

The Commission continues to deal with new applications for registration, with amendments to pension plans, with mergers and acquisitions and with termination or winding-up of plans. The Chairman

of the Commission and the Superintendent of Pensions met regularly with representatives of other jurisdictions in Canada having similar legislation in order to maintain, in so far as possible, uniformity in legislation and in administrative practices. In January, 1976, the members of the Pension Commission of Ontario and the members of the Pension Commission of Manitoba met to discuss the legislation expected to become law in Manitoba in 1976.

The staff of the Commission deal with a number of complaints and enquiries from members of pension plans or their representatives, from employers and labour unions. The issues that are raised range through the present rules respecting vesting and locking-in, funding arrangements and investment of pension fund monies. During the past 12 months the Commission received 151 written enquiries and requests and over 2,900 telephone enquiries. About 50 visits were made to the Commission's offices by employees or their representatives.

The Commission is composed of eight members. The appointments of Messrs. Gordon Milling and William J. Saunderson expired July 31, 1975, and they were appointed for a further three year term. Mr. Terry E. Yates resigned on April 23, 1975, and Mr. John E. Trimble resigned on July 31, 1975. Two new members were appointed to the Commission during the year. Mr. J. Peter Kennedy was appointed for a period effective from April 23, 1975 to June 4, 1976. Mr. E.B. (Ted) Priestner was appointed for a period of three years, effective from August 27, 1975 to August 26, 1978.

During the year the Commission held 20 regular meetings. In addition, some of the members attended special meetings with representatives of other groups.

During the period April 1, 1975 to March 31, 1976, 452 plans covering 17,009 members were registered by the Commission. In the same period 437 plans covering 9,442 members were terminated. As at March 31, 1976 7,883 plans covering 1,113,000 members were registered with the Commission.

The administrative and clerical staff of the Commission numbers 21, the same as the previous year. The Commission is financed by monies appropriated by the legislature from the Consolidated Revenue Fund and by fees charged to employers for the registration of pension plans and the filing of annual information returns. The cost of operating the Commission for the period April 1, 1975 to March 31, 1976 was \$336,264. Receipts from fees charged for registration and filing of annual information returns amounted to \$360,573.

ACTUARIAL VALUATION ASSUMPTIONS

This follow-up study of actuarial valuation assumptions was based on the same pension plans surveyed in the study dated September 28, 1972. The survey covers the last actuarial reports filed with the Commission of 128 self-administered pension plans, that is pension plans under-written by a trust fund held by a trustee, or a deposit administration or segregated fund held by an insurer.

On all the plans the actuarial assumptions on two successive valuations were available and these were surveyed to determine the trends.

The survey includes 71 pension plans of employers in the public sector. Generally speaking, public sector plans were found to employ much the same actuarial assumptions and methods as private sector plans.

The following summarizes a number of conclusions that can be reached from the study.

Valuation Method

Seventy-five plans were valued on a single premium (unit credit) method and 53 on level premium projected benefit method. In the latter group entry-age-normal (34) was preferred over aggregate funding (19).

Under single premium or unit credit funding the current cost is the value of the benefit earned by the current year of service and the liability is the value of all benefits earned for service in prior years. Under level premium or projected benefit methods, the normal cost is taken as a level dollar amount or level percentage of pay and the liability is the value of all benefits for both past and future service less the value of future normal cost contributions. In entry-age-normal funding the normal cost is that applicable to an average new entrant. In aggregate funding the normal cost is such as would provide all benefits of the plan if the normal cost were paid through to each member's retirement. Generally speaking, level premium methods are more conservative than single premium methods in that they generate larger pension funds.

Valuation Method and Type of Plan

It appears that the valuation method is correlated with the type of pension formula, as shown below.

<u>Pension Formula</u>	<u>Valuation Method</u>		
	<u>Single Premium</u>	<u>Level Premium</u>	<u>Total</u>
Percentage of final pay, final average or best average earnings	15	31	46
Percentage of career average earnings	29	10	39
Flat dollar amount per year of service, and other types	<u>31</u>	<u>12</u>	<u>43</u>
Total	<u>75</u>	<u>53</u>	<u>128</u>

Under many pension plans the pension benefit is integrated with government benefits from Old Age Security and the Canada Pension Plan through step rate formulas or offsets or pension supplements. For the purpose of this study we have considered only the basic pension formula and have ignored such supplements and adjustments.

Interest Rate

The interest rate assumed in the actuarial valuation represents a theoretical overall return on the current investment portfolio and on new money for many years ahead. Pension funds are very long term commitments and the obligations to members may run for over fifty years.

The average rate of interest assumed in the last valuations of the 128 plans was 5.10% per annum. The distribution of assumed interest rates is as follows:

Assumed Interest Rate	4%	4 1/4%	4 1/2%	4 3/4%	5%	5 1/4%	5 1/2%	6%
Number of plans	7	1	28	1	41	5	24	21

In five cases the interest rates adopted were:

4 1/2%	for active	4%	for retired lives
4 1/2%	" "	6%	" " "
5%	" "	4 1/2%	" " "
5 1/2%	" "	7 1/2%	" " "
5 1/2%	" "	6 1/2%	for vested

The first rate was used in the above distribution.

The average assumed interest rate for plans valued on a single premium basis is about 0.20% lower than those on a level premium basis.

The average assumed interest rate rose by 0.29% between valuations. In 42 of these plans the interest rate was changed in the inter-valuation period and in 86 the same rate was used. In one plan the rate was increased by 0.25%, in 13 plans by 0.5%, in three plans by 0.75%, in 17 plans by 1.0%, in two plans by 1.25%, in three plans by 1.5%, in two plans by 2% and decreased in one plan by 0.5%.

Salary Scale

In the actuarial valuation of a plan where pensions are a percentage of final pay, final average or best average pay, a salary scale is usually adopted. A salary scale may also be used in the case of a career average pension plan that is funded on a level premium basis.

In some cases the salary scale is specified in the actuarial report as a percentage rate of increase per annum. In other cases an estimate has been made of the compound rate of annual increase between age 30 and age 65 from tables of earnings in the report.

Fifty-one plans used a salary scale, a 3% and 4% per annum assumption being the most usual. In six plans it was not indicated whether a scale was adopted. The distribution of salary scales is as follows:

Assumed Salary Scale	1 < 2	2 < 3	3 < 4	4 < 5	5 < 6	6 < 7
Number of Plans	4	10	17	15	4	1

In thirteen plans the salary scale was changed between the last two valuations. In one plan by 0.375%, in four plans by 1%, in four plans by 1.50%, in one plan by 2%, in one plan by 2.375%, in one plan by 3.75% and one plan decreased by 0.5%.

There appears to be a slight tendency for the assumed salary scale to be correlated with the assumed interest rate, but the tendency is not strong.

Increase in YMPE

Where pension benefits are integrated with the Canada Pension Plan, assumptions may be needed as to future increases in the Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan. Of the 45 such plans that are integrated with the Canada Pension Plan, 29 assumed increases in the YMPE, five assumed no increases, and in 11 reports no reference was made.

Normal Retirement Date

The distribution of assumed average retirement ages is as follows:

Assumed Retirement Age	60	62	63	63 2/3	64	64 1/2	65	65 1/2	66	67	68
Number of plans	2	2	4	1	10	1	69	1	2	2	1
Graded Rates	33										

The assumed retirement ages have been reduced during the inter-valuation period in two plans by 1 year, one plan by 1 1/2 years, one plan by 2 years and one plan by 3 1/2 years. Changes in fourteen other plans involved graded retirement rates by age.

Termination Rates

It is common to make assumptions as to the terminations of employment by pension plan members who do not have fully vested rights. In this survey 105 valuation reports used termination rates, 21 did not and two made no reference.

Disability Rates

Sixty-nine valuations made specific allowance for disability by incorporating disability rates into the valuation basis or by loading for the cost of disability.

Mortality Table

In seven valuations the mortality table was not indicated. The following shows the tables that were used by the other 121 plans.

<u>Mortality Table</u>	<u>No. of Plans</u>
1937 Standard Annuity adjusted	1
a(55)	3
a(55) adjusted or projected	6
a-1949	32
Ga-51*	19
Ga-51 adjusted or projected	43
Other and combinations	<u>17</u>
Total	<u>121</u>

This survey was prepared by (Miss) Isabelle LeBlanc, C.E.B., of the Pension Commission's staff and published by authority of the Commission.

In the case of 11 reports, the mortality is stated to be the a-1949 before retirement and the Ga-51 after retirement; however, at ages below 65 the a-1949 and Ga-51 tables are to all intents and purposes identical.

June 12, 1975.

August 18, 1975.

THE PENSION COMMISSION OF ONTARIOPRELIMINARY REPORT ON THE FUNDED STATUS OF
CERTAIN PENSION PLANS REGISTERED WITH THE
PENSION COMMISSION OF ONTARIO

The purpose of this study is to provide an indication of the extent of funding in private pension plans. While recognising that the study has important limitations, both as to the survey coverage and the items surveyed, the Commission has decided to publish this preliminary report so that the information may be available to interested people at an early date.

Coverage

The study covers a selection of uninsured pension plans in the private sector which provide pensions on a defined benefit basis and are registered under The Pension Benefits Act of Ontario. A list was prepared of all defined benefit uninsured pension plans registered in Ontario, excluding pension plans sponsored by the government of Canada, the government of Ontario, municipalities and government agencies. Uninsured pension plans are taken to include trusteed plans with corporate or individual trustees, together with segregated funds and deposit administration arrangements with insurance companies. The universe, as defined above, includes 1,487 trusteed plans, 582 segregated funds and 495 deposit administration funds for a total of 2,564. This preliminary report, however, excludes segregated funds and deposit funds and is based on the data obtained from the valuation reports of the first 943 trusteed plans registered by the Commission. It is the intention of the Commission in due course to complete the study of all the 2,564 uninsured plans filed with the Commission.

Pension plans registered with the Commission are given a registration number and the 943 plans in this preliminary survey were chosen from the register of trustee plans by starting at the lowest number and proceeding consecutively through the register. While the plans were not chosen by any recognised sampling technique, the Commission has no reason to believe that the survey results are seriously biased. The final report will include all active pension plans as defined above.

Data Surveyed

The data for this study was obtained from the latest actuarial report filed with the Commission and from the accompanying cost certificate. The study therefore includes actuarial reports from 1971, 1972 and 1973. The form used internally for compiling data is shown in Exhibit "A". The survey includes information obtained from actuarial reports using an accrued benefit valuation method (unit credit) and those using a projected valuation method. It was decided that for those reports using the projected method, the liabilities in the survey would be taken as total liabilities reduced by the value of future normal contributions. In other words, the total liabilities shown in this survey were arrived at by adding the unfunded liabilities and/or experience deficiencies shown in the cost certificate or in the report to the value placed on the assets in the report.

It is well recognised that valuations on accrued benefit methods and projected benefit methods are not fully comparable and that very different sets of assumptions have been used in different reports.

In many valuation reports the assets in the valuation balance sheet were not taken at either book value or market value, but at an adjusted or actuarial value, which sometimes included accrued interest, amounts due but unpaid and other items. In this study, the surplus or unfunded liability as shown in the actuary's report, whether or not the actuary used an adjusted value of assets, has been shown. In Table 2, the value of assets at book value and at market value has been compared with the value shown in the valuation report.

A number of valuation reports did not indicate the number of active employees covered by the plan at the date of valuation. Other information (annual reports) filed with the Commission was used to determine this information.

In spite of these weaknesses, it is felt that the information so far assembled and tabulated will be of considerable interest.

Survey Results

The survey results are shown in Tables 1 to 4, from which the following salient conclusions have been extracted.

Out of 943 plans surveyed, 301 (32%) reported a surplus and 642 (68%) reported an unfunded liability, that is an "initial unfunded liability" and/or an "experience deficiency" as defined in the Regulation under The Pension Benefits Act. By number of employees, 16% were in plans with a surplus and 84% in plans with an unfunded liability, suggesting that surplus more frequently occurs in small than in large plans.

	<u>Plans reporting a surplus</u>	<u>Plans reporting an unfunded liability</u>	<u>All plans surveyed</u>
Number of plans surveyed	301 (32%)	642 (68%)	943
Number of employees covered	77,260 (16%)	406,770 (84%)	484,030
<u>Funded Status</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Total liabilities	446,760 (11%)	3,495,954 (89%)	3,942,714
Assets as shown in actuarial report	<u>504,595 (18%)</u>	<u>2,375,103 (82%)</u>	<u>2,879,698</u>
	57,835		57,835
	<u> </u>	<u>1,120,851</u>	<u>1,120,851</u>

Overall, the plans have assets equal to 73% of the liabilities.

The funding ratio for plans in a surplus position is 113% and for plans in an unfunded liability position is 68%. It is important to note that this does not imply that plans with an unfunded liability could only meet 68% of the earned pensions if the plans were wound up, since many valuations are on a projected basis, or allow for future salary and wage increases or are otherwise conservative. A much higher percentage of the accrued benefits would be covered on winding up of the plans, particularly in the case of final average earnings pension plans. Thus if the plan termination insurance on the lines of the United States system were to be adopted in Canada, it would appear that, based on this preliminary review, the amounts needed to be covered by insurance in order to protect employees in the event of plan termination would be considerably less than the unfunded liability shown above.

The average liability per employee is \$8,146 and the average asset is \$5,949. The average surplus per employee in plans that have a surplus is \$749 and the average unfunded liability per employee in plans that have an unfunded liability is \$2,755.

Of the unfunded liability, \$1,099 million is "initial unfunded liability" (to be liquidated by 1989), and \$22 million is "experience deficiency" (to be liquidated within 5 years of the valuation date).

The following Table shows the annual payments required under the plans included in this study. Employee members of these plans are at present paying about one-seventh of the annual cost. It should be noted that the distribution of contributory and non-contributory pension plans in this study does not compare with the national surveys done by Statistics Canada and the one-seventh employee contribution relates only to this study.

<u>Annual contributions</u>	<u>Total Payments</u>	<u>Average per employee</u>
	<u>\$000</u>	<u>\$</u>
Employer current service	226,061	467
Employer: initial unfunded liability	95,664	198
Employer: experience deficiency	<u>6,205</u>	<u>12</u>
Total employer	327,930	677
Employee contributions	<u>52,137</u>	<u>108</u>
Total contributions	<u>380,067</u>	<u>785</u>

An analysis of the liability by type of pension plan shows that the liability per member is greatest in final average salary plans. It is also greater in the plans showing an unfunded liability than in those showing a surplus.

Average Total Liability (unfunded & funded) per Member

<u>Type of Plan</u>	<u>Plans showing a surplus</u>	<u>Plans showing an unfunded liability</u>	<u>All Plans</u>
Career average	\$ 6,593	\$ 7,430	\$ 7,135
Final average	10,014	11,438	11,329
Flat benefit	1,561	7,452	6,978
Composite	3,538	9,204	8,107
All types	5,783	8,594	8,146

Striking differences are shown in the surplus and unfunded liability per member between different types of pension plan. The large unfunded liability of flat benefit types is no doubt due mainly to the frequency with which such plans are negotiated upwards, creating new liabilities.

Surplus or Unfunded Liability per Member

	<u>Surplus</u>	<u>Initial Unfunded Liability</u>	<u>Experience Deficiency</u>	<u>Unfunded Liability</u>
Career Average	781	\$1,444	\$ 29	\$1,473
Final Average	1,333	2,031	133	2,164
Flat benefit	379	3,737	23	3,760
Composite	507	1,326	32	1,358
All types	749	2,700	55	2,755

The assets shown in the many actuarial reports are not taken at book value (cost price) or market value but at an adjusted or actuarial value. They often also include receivables, accrued interest and miscellaneous items which are not included in the book value or market value. A comparison of the asset values used in the actuarial reports with book and market values follows:

	<u>\$000</u>
Assets as reported, including receivables, accrued interest, etc.	2,879,698
Book value	2,750,811
Market value	2,840,962

Fuller details are shown in the tables which follow.

INFORMATION SHEET

Sheet No.

STUDY - UNFUNDED LIABILITIES

Plan Identification

CORPORATE & INDIVIDUAL TRUSTEED PLANSC-

Line No.	Information Required	Valuation Report as at / /	Valuation Report as at / /	Valuation Report as at / /
1	Type of Plan			
2	Financing			
3	No. of Members			
4				
5	<u>Total Liabilities</u>	\$		
6	<u>Assets</u> - Book	\$		
7	- Market	\$		
8	- Act. Value	\$		
9	<u>Unfunded Liab. or Surplus</u>			
10	- Surplus	\$		
11	- Unfunded Liab.	\$		
12	- Exp. Def.	\$		
13				
14	Method			
15				
16	<u>Spec. Payments</u>			
	- I.U.L.	\$		
17	- Exp. Def.	\$		
18	<u>Current Costs</u>			
19	- Employer	\$		
20	- Employee	\$		
21				
22	Payroll - Active Members	\$		

Codes: Line 1 - Benefit Formula

1. Career Average
2. Final Pay
3. Flat Benefit
4. Composite

Line 2 - Financing

1. Contributory
2. Non-Contributory

Line 14 - Method

1. Projected
2. Accrued

TABLE 1

Funded Status of 943 Trusteed Pension Plans

Based on information contained in the latest actuarial valuation report -
all dollar figures in thousands

	<u>Plans showing a surplus</u>	<u>Plans showing an unfunded liability</u>	<u>Total</u>
<u>All Plans Surveyed</u>			
Number of Plans surveyed	301	642	943
Number of Employees covered	77260	406770	484030
<u>Funded Status:</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Total liabilities	\$446,760	\$3,495,954	\$3,942,714
Total assets	<u>504,595</u>	<u>2,375,103</u>	<u>2,879,698</u>
Surplus	\$ 57,835		\$ 57,835
Unfunded Liability	<u> </u>	<u>\$ 1,120,851</u>	<u>\$ 1,120,851</u>
<u>Career Average Plans</u>			
Number of Plans surveyed	199	206	405
Number of Employees covered	48143	88354	136497
<u>Funded Status:</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Total liabilities	\$ 317,384	\$ 656,518	\$ 973,902
Total assets	<u>354,975</u>	<u>526,360</u>	<u>881,335</u>
Surplus	\$ 37,591		\$ 37,591
Unfunded liability	<u> </u>	<u>\$ 130,158</u>	<u>\$ 130,158</u>
<u>Final Average Pay Plans</u>			
Number of Plans surveyed	39	212	251
Number of Employees covered	9275	111938	121213
<u>Funded Status:</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Total liabilities	\$ 92,881	\$ 1,280,381	\$1,373,262
Total assets	<u>105,245</u>	<u>1,038,153</u>	<u>1,143,398</u>
Surplus	\$ 12,364		\$ 12,364
Unfunded liability	<u> </u>	<u>\$ 242,228</u>	<u>\$ 242,228</u>

TABLE 1 (continued)

	<u>Plans showing a surplus</u>	<u>Plans showing an unfunded liability</u>	<u>Total</u>
<u>Flat Benefit Plans</u>			
Number of Plans surveyed	48	197	245
Number of Employees covered	17051	194859	211910
<u>Funded Status:</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Total liabilities	\$26,620	\$1,452,109	\$1,478,729
Total assets	<u>33,086</u>	<u>719,418</u>	<u>752,504</u>
Surplus	\$ 6,466		\$ 6,466
Unfunded liability	<u> </u>	<u>\$ 732,691</u>	<u>\$ 732,691</u>
<u>Composite Benefit Plans</u>			
Number of Plans surveyed	15	27	42
Number of Employees covered	2791	11619	14410
<u>Funded Status:</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Total liabilities	\$ 9,875	\$ 106,946	\$ 116,821
Total assets	<u>11,289</u>	<u>91,172</u>	<u>102,461</u>
Surplus	\$ 1,414		\$ 1,414
Unfunded liability	<u> </u>	<u>\$ 15,774</u>	<u>\$ 15,774</u>

TABLE 2Assets of 943 Trusteed Pension Plans

<u>Type of Plan</u>	<u>As shown in actuarial report*</u>	<u>Book Value</u>	<u>Market Value</u>
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Career Average Plans	\$ 881,334	\$ 879,146	\$ 806,297
Final Average Pay Plans	1,143,399	1,056,720	1,198,420
Flat Benefit Plans	752,504	719,834	737,250
Composite Benefit Plans	<u>102,461</u>	<u>95,112</u>	<u>98,995</u>
All Plans surveyed	<u>\$2,879,698</u>	<u>\$2,750,812</u>	<u>\$2,840,962</u>

* The assets shown in the actuarial reports sometimes include accrued interest, receivables etc. and hence are not strictly comparable with the book values and market values of the investments.

TABLE 3Unfunded Liabilities

<u>Type of Plan</u>	<u>Initial Unfunded Liabilities</u>	<u>Experience Deficiencies</u>	<u>Total Unfunded Liabilities</u>
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Career Average Plans	\$ 127,632	\$ 2,526	\$ 130,158
Final Average Pay Plans	227,387	14,841	242,228
Flat Benefit Plans	728,158	4,533	732,691
Composite Benefit Plans	<u>15,403</u>	<u>371</u>	<u>15,774</u>
All Plans surveyed	<u>\$1,098,580</u>	<u>\$ 22,271</u>	<u>\$1,120,851</u>

TABLE 4Annual Contributions Required

<u>Type of Plan</u>	<u>Employee Contributions</u>		<u>Employer Contributions</u>	
		<u>Current Service</u>	<u>Initial Unfunded Liability</u>	<u>Experience Deficiency</u>
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
Career Average Plans	\$26,109	\$ 88,167	\$ 11,808	\$ 926
Final Average Pay Plans	21,186	68,086	21,613	4,061
Flat Benefit Plans	632	63,911	60,837	1,118
Composite Benefit Plans	<u>4,210</u>	<u>5,897</u>	<u>1,406</u>	<u>100</u>
All Plans surveyed	<u>\$52,137</u>	<u>\$226,061</u>	<u>\$95,664</u>	<u>\$6,205</u>

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ONTARIO

THE PENSION COMMISSION OF ONTARIO

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8 York Street, 4th Floor,
Toronto, Ontario.
M5J 2H6

November 4, 1977.

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Serials Department,
Toronto, Ontario.
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Dear Sirs:

Re: Thirteenth Annual Report of the
Pension Commission of Ontario
for the year ending March 31, 1977

Enclosed please find a copy of the Thirteenth Annual Report
of the Pension Commission of Ontario for the year ending
March 31, 1977.

Yours very truly,

(Mrs.) R. Sainovski

(Mrs.) R. Sainovski,
Secretary to Superintendent of Pensions.

Enclosure.

THIRTEENTH ANNUAL REPORT
OF
THE PENSION COMMISSION OF ONTARIO
FOR THE YEAR ENDING 31 MARCH, 1977.

* * * * *

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The Pension Commission of Ontario,

8 York Street, 4th Floor, Toronto, Ontario. M5J 2H6

MEMBERS OF THE COMMISSION

Miss Donna J. Haley, Q.C.,

Chairman

Mr. D'Alton S. Rudd,

Vice-Chairman

Mr. Laurence E. Coward,

Mr. Gordon Milling,

Mr. Paul A. Kates,

Mr. William J. Saunderson,

Mr. E.B. (Ted) Priestner,

Mr. J. Peter Kennedy.

Superintendent of Pensions

Mr. J. Wells Bentley

Executive Officer

Mr. Patrick W. Neale

Special Projects Officer

Miss Isabelle LeBlanc

THIRTEENTH ANNUAL REPORT OF THE PENSION COMMISSION
OF ONTARIO, FOR THE YEAR ENDING 31 MARCH, 1977.

The Pension Commission of Ontario, established in August 1963, is charged with the administration and enforcement of The Pension Benefits Act. The Act, in force since 1 January, 1965, preserves pension entitlements for qualified members of a pension plan when they change jobs, establishes standards for solvency and regulates the investment of pension fund monies.

In broad terms, the legislation requires that:

Pension plans with members in Ontario must be registered with the Commission.

Pensions arising for service in Ontario or a designated province after January 1, 1965, or created under the plan after that date, must be fully vested in an employee after attaining the age of 45 years and having completed 10 or more years of service with his employer or 10 years of membership in a multi-employer pension plan.

Contributions made in respect of the above fully-vested pension may not, with certain exceptions, be withdrawn in cash.

The funding of the plan must be such as to meet the specified standards for solvency.

The investments of the funds of the pension plan must be within prescribed limits.

Members of the plan must receive written information as to their rights and duties under the plan and of the terms and conditions of the plan applicable to them.

The Pension Benefits Act has been in force for almost 13 years. The Pension Commission's main responsibility is to ensure that pension plans meet the statutory conditions prescribed for solvency, for investment of pension funds and for the preservation of employee entitlements. This involves the examination of new plan documents filed for registration, amendments to existing pension plans and periodic reports such as the Annual Information Return and the triennial valuation.

Up to March 31, 1976, three other provinces and the federal government have had enacted legislation substantially

similar to The Pension Benefits Act of Ontario. On July 1, 1976, The Pension Benefits Act of Manitoba came into force and that of the Province of Nova Scotia came into force on January 1, 1977. The only jurisdictions not having legislation regulating private pension plans are British Columbia, New Brunswick, Prince Edward Island and Newfoundland. In Canada, as at March 31, 1977, the following jurisdictions have legislation regulating private pension plans.

<u>Province</u>	<u>Act</u>	<u>Effective date of Legislation</u>
Ontario	The Pension Benefits Act	January 1, 1965
Quebec	Supplemental Pension Plans Act	January 1, 1966
Alberta	The Pension Benefits Act	January 1, 1967
Federal Government	the Pension Benefits Standards Act	October 1, 1967
Saskatchewan	The Pension Benefits Act, 1967	January 1, 1969
Manitoba	The Pension Benefits Act	July 1, 1976
Nova Scotia	The Pension Benefits Act	January 1, 1977

Manitoba became a signatory to the Memorandum of Reciprocal Agreement, already operating among Alberta, Saskatchewan, Quebec and Ontario, on October 7, 1976, which agreement provides for registration and supervision of pension plans by one jurisdiction on behalf of the others, and it is expected that Nova Scotia will become a signatory in May, 1977. The effect of the interprovincial agreement is that an employer, who has members in more than one jurisdiction having pension legislation may register his pension plan with the jurisdiction where the plurality of his members is located.

The Pension Commission of Ontario continues to take an active part in the affairs of the Canadian Association of Pension Supervisory Authorities (C.A.P.S.A.). C.A.P.S.A. was established in May of 1974 and its purposes are:

1. To evaluate on a continuing basis the legislation in force and to recommend amendments to existing legislation.

2. To promote uniformity in legislation, its interpretation and administration.
3. To create a group identity, thereby furthering communications with other groups having an interest in private pension plans.
4. To allow members improved co-ordination in research programs, particularly with the view to avoiding duplication.
5. To establish and maintain relations with other organizations working towards similar objectives.
6. To provide an opportunity for the public to make representations.

During the calendar year 1976, the members of C.A.P.S.A. met on January 29th and January 30th, 1976 in Toronto and on October 6th and October 7th, 1976 in Regina. The major thrust of the discussions was toward improvements in legislation and the maintenance of a high degree of uniformity in legislation.

The role of private pension plans in the provision of income replacement has been seriously questioned by individuals, the media and by other interested organizations. In response to this, the Government of Ontario appointed a Royal Commission on the State of Pensions in Ontario to examine the future development of income replacement, including the private pension system, civil service pensions and government social security programs.

The federal government and the Government of the Province of Quebec have established inter-departmental committees to study essentially the same matters.

During the year covered by this report, the regulations under the Act were substantially changed and these changes are outlined below. It should be noted that the proposed changes to the regulations were approved in principle by all jurisdictions in Canada having pension legislation.

- (a) Ontario Regulation 748/76, effective
September 14, 1976

The purpose of this regulation is to preserve benefits integrated with benefits under the Canada Pension Plan, Quebec Pension Plan and Old Age Security. The regulation prohibits reductions in pensions in the course of payment where such reductions are attributable to increases being paid under C.P.P./Q.P.P. and/or the Old Age Security Act.

- (b) Ontario Regulation 1005/76, effective
December 21, 1976

The amendment to the Regulation deals principally with the funding requirements for certain pension plans, although some technical changes have been incorporated as well. It should be noted here that since the proposed amendments had been agreed to in principle by the other jurisdictions in Canada, subsequent to the amendments being made in Ontario, the Province of Quebec and the federal government have made similar changes. It is anticipated that the other jurisdictions will proceed with similar amendments.

Regulation 654 required that experience deficiencies, that is, deficiencies resulting from the actual experience of the pension fund being different from that anticipated, be liquidated over a period of

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not more than five years. The amendment provides that, subject to the performance of a test valuation, experience deficiencies may be amortized over a period of 15 years. The purpose of the test valuation is to determine whether or not a serious deterioration in the funded status of the plan has occurred in the intervaluation period. If such a deterioration has occurred, part of the deficiency must be amortized over not more than five years and the balance may be amortized over a period of 15 years.

Current economic conditions required that some form of relief from heavy pension costs should be made available to those employers whose plans' benefits are related to salary levels close to retirement. With the use of the test valuation, it is possible to maintain the funded status of the pension plan and yet provide the employer with a degree of relief from heavy costs over a short period of time.

The use of the test valuation is not compulsory, making it possible for the employer to have a choice in the level of costs for the plan in the short run.

The revised regulations require that employee contributions must now be remitted by the employer to the administrator of the fund within the calendar month

following the month the sum was received by the employer from the employee.

(c) Ontario Regulation 1/77, effective January 4, 1977

Under Ontario Regulation 654, the Pension Commission had authority to exempt from the vesting requirements of the Act that part of a pension benefit that was a "supplemental or minimum make-up annuity" and not a substantial portion of the total annuity. Because of unknown factors and the increasing variety of options available for retiring members, it became difficult for the Commission to effectively deal with these. The amending Regulation sets out the type of benefit that is exempt from vesting and narrows the area where judgement has to be exercised.

The Commission continues to deal with new applications for registration, amendments to pension plans, mergers and acquisitions, and termination or winding-up of pension plans. Actuarial valuation reports and cost certificates are examined closely to ensure that the assumptions and methods used are acceptable to the Commission. The Chairman and senior staff meet regularly with representatives of other jurisdictions in Canada, having

similar legislation, in order to maintain, insofar as possible, uniformity in legislation, its interpretation, and administrative practices.

The staff of the Commission deal with a number of complaints and enquiries from members of pension plans, or their representatives, from employers and labour unions. The issues that are raised range, under the present rules, from vesting and locking-in to funding arrangements and investment of pension fund monies. During the past 12 months the Commission received 168 written enquiries and requests and over 3,685 telephone enquiries. About 111 visits were made to the Commission's offices by employees or their representatives.

The Commission is composed of eight members. The appointment of Miss Donna J. Haley, Q.C., Chairman, expired February 26, 1977, and she was re-appointed and re-designated Chairman for a further three-year term. The appointments of Messrs. D'Alton S. Rudd, Vice-Chairman and Paul A. Kates expired July 31, 1976, and J. Peter Kennedy expired June 4, 1976, and they were re-appointed for a further three-year term. Mr. Rudd was also re-designated as Vice-Chairman for a further three-year term.

During the year, the Commission held 23 regular meetings. In addition, some of the members attended special meetings with representatives of other groups.

During the period, April 1, 1976 to March 31, 1977, 344 plans covering 19,759 members were registered by the Commission. In the same period 483 plans covering 7,880 members were terminated. As at March 31, 1977, 7,763 plans covering approximately 1,125,000 members are registered with the Commission.

The administrative and clerical staff of the Commission numbers 21, the same as the previous year. The Commission is financed by monies appropriated by the legislature from the Consolidated Revenue Fund and by fees charged to employers for the registration of pension plans and the filing of Annual Information Returns. The cost of operating the Commission for the period April 1, 1976 to March 31, 1977 was \$384,781. Receipts from fees charged for registration and filing of Annual Information Returns amounted to \$396,530.

In co-operation with the Provinces of Quebec, Alberta and Saskatchewan, the Department of Insurance and Statistics Canada of the federal government, a pension "data bank" was developed at Statistics Canada. Each of the jurisdictions in Canada, having pension legislation, provides regular up-dating of information to Statistics Canada from the documentation provided to it respecting new pension plans, amendments to existing plans and annual information concerning the number of employee members.

Tables 1 to 9 in Exhibit "A" are based on information obtained from the "data bank" at Statistics Canada and relate to non-financial statistics of pension plans having members in Ontario, 1976. The Eleventh Annual Report provided non-financial statistics for the years 1970 and 1974.

PENSION COMMISSION
OF
ONTARIO

P E N S I O N P L A N S
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Introduction

This report is the second to be produced by the Pension Commission of Ontario from information stored in the "data bank" developed at Statistics Canada. It is anticipated that the tables produced will be up-dated every second year.

The information provided in the accompanying tables relates to members of plans who are located in Ontario. Some of the plans will have members located in other jurisdictions, but membership relates only to Ontario. However, the information provided in the accompanying tables may be compared with information published by other jurisdictions in Canada and with the report published by Statistics Canada entitled "Pension Plans in Canada". To ensure uniformity and consistency of interpretation in recording the complex characteristics of pension plans a common conceptual and statistical framework was developed for use by Statistics Canada and the jurisdictions having pension legislation.

Commentary on Statistical Tables

TABLE 1

Under the terms of reciprocal agreements between the provinces having pension legislation, the responsibility for supervision of the plan rests with the jurisdiction wherein the plurality of members is employed. Similarly, supervision of a plan by the federal government or a province depends on whether the majority of members covered is subject to federal or provincial labour laws.

This table shows the jurisdiction supervising plans having members in Ontario. The total number of members located in Ontario is 1,571,000 covered by 8,702 pension plans. The Pension Commission supervises 7,610 plans covering 1,223,000 members.

The province of Quebec supervises 674 plans having 53,000 employees in Ontario. Saskatchewan supervises 26 plans covering 500 members in Ontario, Alberta, 101 plans with 3,000 Ontario members, and the federal government 295 plans with 135,000 members. It should be noted that 13 plans are subject to dual registration by the Quebec Pension Board and the federal Department of Insurance. A further 9 plans covering 156,000 members in Ontario are not subject to pension legislation. These include, among others, the plans of the Public Service of Canada, the Armed Forces, R.C.M.P. and Members of Parliament.

The number of plans has increased slightly, with an increase of 125,000 members between 1974 and 1976.

TABLE 3

It will be noted that in this table plans are shown by membership-size group, but the number of members shown is less than the number shown in the size group. As an example, under the contributory plan listing, private sector, 1 plan is shown as being in the 30,000 and over size group, but only 9,120 members are shown. This is because the size group of the plan is determined by the total number of members in the plan, regardless of where the members are located. The number of members shown is those located in Ontario.

This table also shows membership in the public and private sectors. In this table the public sector plans are those plans for employees of federal, provincial and municipal governments, crown corporations, and teachers (excluding those employed by private elementary and secondary schools and teaching and non-teaching staff of most universities).

TABLE 1

NUMBER AND PERCENTAGE OF PENSION PLANS AND MEMBERSHIP
IN ONTARIO BY JURISDICTION AND MEMBERSHIP-SIZE GROUP - 1976

Membership Size Group	Under Saskatchewan Supervision				Under Federal Supervision*				Not subject to pension legislation but having members in Ontario			
	Plans		Ont. Members		Plans		Ont. Members		Plans		Ont. Members	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Less than 5												
5 - 9	2	7.6	4	.8	31	10.5	70	.1				
10 - 14					28	9.4	162	.1				
15 - 49	5	19.2	19	3.8	21	7.1	177	.1	2	22.2	3	
50 - 99	7	26.9	44	8.8	75	25.4	1,382	1.0				
100 - 499	8	30.7	232	46.7	40	13.5	1,542	1.1	3	33.3	571	.3
500 - 999	3	11.5	147	29.6	48	16.2	5,541	4.0	1	11.1	2	
1,000 - 1,999					17	5.7	3,935	2.9				
2,000 - 9,999	1	3.8	50	10.0	10	3.3	6,633	4.9				
10,000 - 29,999					16	5.4	28,107	20.7	1	11.1	3,520	2.2
30,000 AND OVER					6	2.0	33,055	24.4	2	22.2	152,681	97.3
					3	1.0	54,638	40.4				
TOTAL	26	100.0	496	100.0	295	100.0	135,242	100.0	9	100.0	156,777	100.0

NUMBER AND PERCENTAGE OF PENSION PLANS AND MEMBERSHIP
IN ONTARIO BY JURISDICTION AND MEMBERSHIP-SIZE GROUP - 1976

Membership Size Group	Plans		Total	
	Number	%	Number	%
Less than 5				
5 - 9	2,003	23.0	4,467	.2
10 - 14	1,424	16.3	8,890	.5
15 - 49	877	10.0	9,153	.5
50 - 99	1,974	22.6	43,417	2.7
100 - 499	790	9.0	41,190	2.6
500 - 999	1,121	12.7	168,533	10.7
1,000 - 1,999	233	2.6	105,562	6.7
2,000 - 9,999	131	1.5	118,177	7.5
10,000 AND OVER	119	1.4	270,829	17.2
	30	.3	800,968	50.9
TOTAL	8,702	100.0	1,571,186	100.0

* There are 13 pension plans with members in Ontario subject to dual supervision by the Quebec Pension Board and the Department of Insurance, Ottawa.

TABLE 2

NUMBER AND PERCENTAGE OF PENSION PLANS AND MEMBERS
IN ONTARIO BY MEMBERSHIP-SIZE GROUP AND SEX - 1976

Membership Size Group	<u>Plans</u>		<u>Males</u>		<u>Females</u>		<u>Total</u>	
	Number	%	Number	%	Number	%	Number	%
Less than 5	2,003	23.0	3,600	.3	867	.1	4,467	.2
5 - 9	1,424	16.3	7,085	.6	1,805	.3	8,890	.5
10 - 14	877	10.0	7,288	.6	1,865	.4	9,153	.5
15 - 49	1,974	22.6	34,351	3.1	9,066	1.9	43,417	2.7
50 - 99	790	9.0	32,429	2.9	8,761	1.8	41,190	2.6
100 - 199	574	6.5	45,069	4.0	12,822	2.7	57,891	3.6
200 - 499	547	6.2	86,831	7.8	23,811	5.1	110,642	7.0
500 - 999	233	2.6	83,532	7.5	22,030	4.7	105,562	6.7
1,000 - 1,999	131	1.5	91,161	8.2	27,016	5.8	118,177	7.5
2,000 - 2,999	56	.6	55,279	4.9	17,574	3.7	72,853	4.6
3,000 - 3,999	17	.1	29,176	2.6	4,896	1.0	34,072	2.1
4,000 - 4,999	12	.1	26,884	2.4	5,661	1.2	32,545	2.0
5,000 - 9,999	34	.3	111,088	10.0	20,271	4.3	131,359	8.3
10,000 AND OVER	30	.3	494,164	44.6	306,804	66.2	800,968	50.9
TOTAL	8,702	100.0	1,107,937	100.0	463,249	100.0	1,571,186	100.0

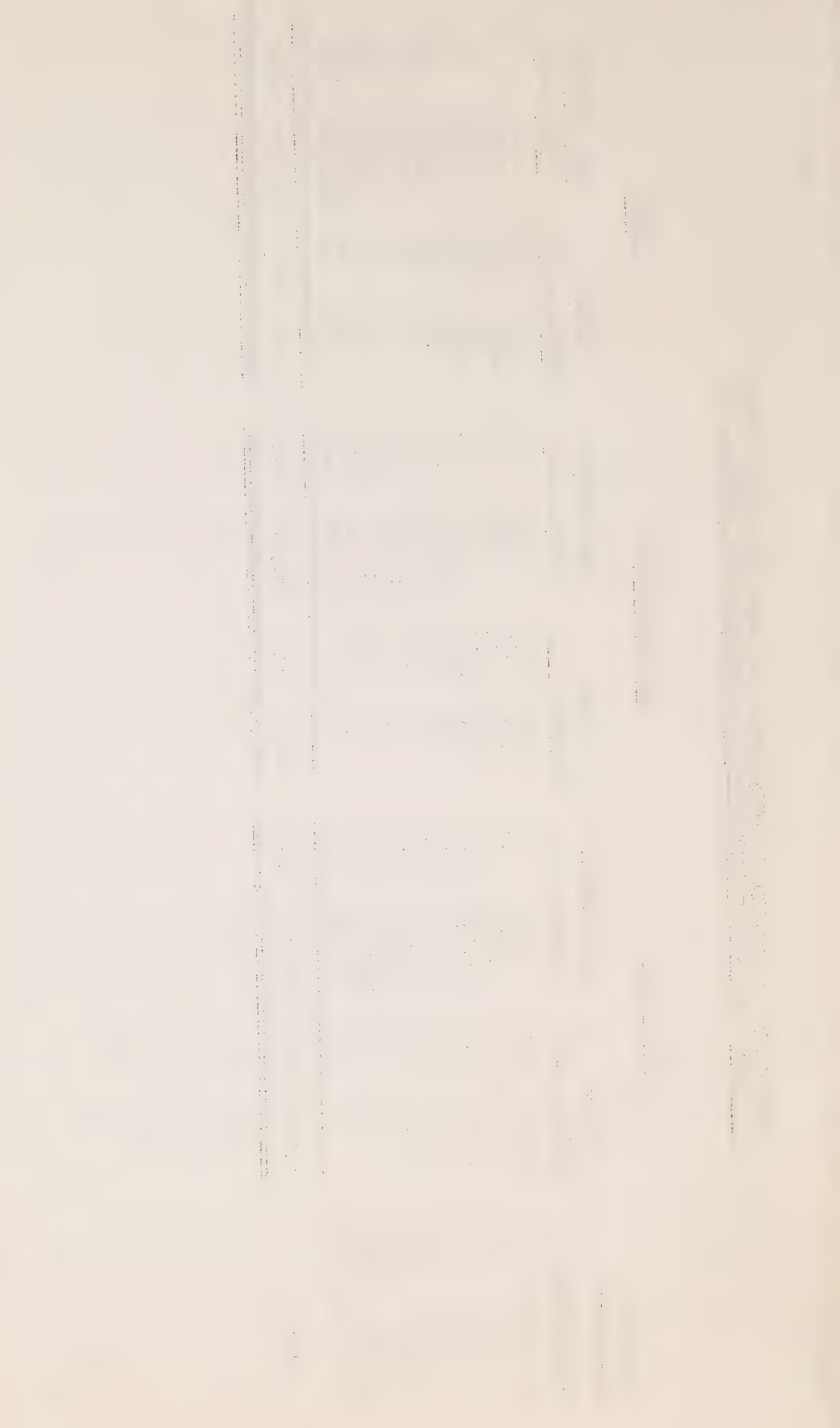
TABLE 3

MEMBERSHIP IN ONTARIO IN CONTRIBUTORY AND NON-CONTRIBUTORY PLANS
BY PUBLIC AND PRIVATE SECTORS AND BY MEMBERSHIP-SIZE GROUP - 1976

Membership Size Group	Contributory				Non-Contributory				Total			
	Plans		Ont. Members		Plans		Ont. Members		Plans		Ont. Members	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Public Sector												
Less than 5	20	16.6	47		2	40.0	4	.1	22	17.6	51	
5 -	11	9.1	70						11	8.8	70	
10 -	9	7.5	104						9	7.2	104	
15 -	21	17.5	589		1	20.0	39	1.7	22	17.6	628	
50 -	7	5.8	498						7	5.6	498	
100 -	16	13.3	4,095	.6					16	12.8	4,095	.6
500 -	11	9.1	7,978	1.2					11	8.8	7,978	1.2
1,000 -	7	5.8	8,598	1.3	1	20.0	705	31.6	8	6.4	9,303	1.4
2,000 -	7	5.8	23,085	3.6	1	20.0	1,482	66.4	8	6.4	24,567	3.9
10,000 -	3	2.5	13,017	2.0					3	2.4	13,017	2.0
30,000 AND OVER	8	6.6	568,542	90.7					8	6.4	568,542	90.4
TOTAL	120	100.0	626,623	100.0	5	100.0	2,230	100.0	125	100.0	628,853	100.0
Private Sector												
Less than 5	1,433	22.4	3,381	.8	548	25.0	1,035	.1	2,003	23.0	4,467	.2
5 -	1,208	18.9	7,605	1.8	205	9.3	1,215	.2	1,424	16.3	8,890	.5
10 -	746	11.6	7,808	1.8	122	5.5	1,241	.2	877	10.0	9,153	.5
15 -	1,515	23.7	32,546	7.9	437	19.9	10,243	1.9	1,974	22.6	43,417	.7
50 -	552	8.6	26,357	6.4	231	10.5	14,335	2.6	1,790	9.0	41,190	.7
100 -	680	10.6	87,899	21.3	425	19.4	76,539	14.4	1,121	12.8	168,533	10.7
500 -	124	1.9	46,462	11.3	98	4.4	51,122	9.6	233	2.6	105,562	6.7
1,000 -	68	1.0	55,005	13.3	55	2.5	53,869	10.1	131	1.5	118,177	7.5
2,000 -	55	.8	97,577	23.7	56	2.5	148,685	27.9	119	1.3	270,829	17.2
10,000 -	5		37,341	9.0	12	.5	147,048	27.6	20	.2	197,406	12.5
30,000 AND OVER	1		9,120	2.2	1		25,900	4.8	10	.1	603,562	38.4
TOTAL	6,387	100.0	411,101	100.0	2,190	100.0	531,232	100.0	8,702	100.0	1,571,186	100.0

MEMBERSHIP IN ONTARIO IN CONTRIBUTORY AND NON-CONTRIBUTORY PLANS
BY PUBLIC AND PRIVATE SECTORS AND BY MEMBERSHIP-SIZE GROUP - 1976

Membership Size Group	Contributory				Non-Contributory				Total			
	Plans		Ont. Members		Plans		Ont. Members		Plans		Ont. Members	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Both Sectors												
Less than 5	1,453	22.3	3,428	.3	550	25.0	1,039	.1	2,003	23.0	4,467	.2
5 - 14	1,219	18.7	7,675	.7	205	9.3	1,215	.2	1,424	16.3	8,890	.5
15 - 49	1,755	11.6	7,912	.7	122	5.5	1,241	.2	1,877	10.0	9,153	.5
50 - 99	1,536	23.6	33,135	3.1	438	19.9	10,282	1.9	1,974	22.6	43,417	2.7
100 - 499	559	8.5	26,855	2.5	231	10.5	14,335	2.6	1,790	9.0	41,190	2.6
500 - 999	696	10.6	91,994	8.8	425	19.3	76,539	14.3	1,121	12.8	168,533	10.7
1,000 - 1,999	135	2.0	54,440	5.2	98	4.4	51,122	9.5	233	2.6	105,562	6.7
2,000 - 9,999	75	1.1	63,603	6.1	56	2.5	55,574	10.2	131	1.5	118,177	7.5
10,000 - 29,999	62	.9	120,662	11.6	57	2.5	150,167	28.1	119	1.3	270,829	17.2
30,000 AND OVER	8	.1	50,358	4.8	12	.5	147,048	27.5	20	.2	197,406	12.5
	9	.1	577,662	55.6	1		25,900	4.8	10	.1	603,562	38.4
TOTAL	6,507	100.0	1,037,724	100.0	2,195	100.0	533,462	100.0	8,702	100.0	1,571,186	100.0



NUMBER AND PERCENTAGE OF PENSION PLANS BY INDUSTRY
WITH ONTARIO MEMBERSHIP BY SEX - 1976

Industry	Plans		Males		Females		Total	
	Number	%	Number	%	Number	%	Number	%
Agriculture	47	.5	704		88		792	
Forestry	6		78		1		79	
Mining	119	1.3	37,562	3.3	1,731	3.0	39,293	2.5
Manufacturing								
Food and Beverages	334	3.8	34,546	3.1	8,627	1.8	43,173	2.7
Tobacco Products	12	.1	1,628	.1	545	1.0	2,173	1.0
Rubber Industries	44	.5	14,613	1.3	2,525	5.0	17,138	1.0
Leather	40	.4	2,036	.1	689	1.0	2,725	1.0
Textile	95	1.0	3,572	.3	2,207	4.0	5,779	3.0
Knitting Mills	26	.2	333		389		722	
Clothing	63	.7	2,540	.2	4,697	1.0	7,237	.4
Wood	69	.7	1,858	.1	244		2,102	.1
Furniture and Fixtures	78	.8	3,459	.3	1,141	.2	4,600	.2
Paper and Allied Industries	140	1.6	28,738	2.5	3,012	.6	31,750	2.0
Printing and Publishing	285	3.2	21,402	1.9	4,928	1.0	26,330	1.6
Primary Metals	131	1.5	52,577	4.7	2,998	.6	55,575	3.5
Metal Fabricating	557	6.4	40,183	3.6	5,225	1.1	45,408	2.8
Machinery	288	3.3	39,784	3.5	4,924	1.0	44,708	2.8
Transportation Equipment	200	2.2	91,094	8.2	9,295	2.0	100,389	6.3
Electrical Products	223	2.5	42,072	3.7	15,490	3.3	57,562	3.6
Non-Metallic Mineral Products	125	1.4	12,821	1.1	2,039	.4	14,860	.9
Petroleum and Coal Products	15	.1	9,706	.8	2,811	.6	12,517	.7
Chemical	270	3.1	23,326	2.1	5,937	1.2	29,263	1.8
Miscellaneous	265	3.0	10,797	.9	4,830	1.0	15,627	.9
Construction	517	5.9	62,012	5.5	668	.1	62,680	3.9
Transportation and Communication	452	5.1	108,923	9.8	43,504	9.3	152,427	9.7
Trade								
Wholesale	1,384	15.9	30,034	2.7	6,491	1.4	36,525	2.3
Retail	695	7.9	28,477	2.5	22,846	4.9	51,323	3.2
Finance, Insurance & Real Estate	683	7.8	38,520	3.4	43,532	9.3	82,052	5.2
Community Business & Personal Serv.	1,478	16.9	126,850	11.4	151,454	32.6	278,304	17.7
Public Administration & Defense	61	.7	237,692	21.4	110,381	23.8	348,073	22.1
TOTAL	8,702	100.0	1,107,937	100.0	463,249	100.0	1,571,186	100.0

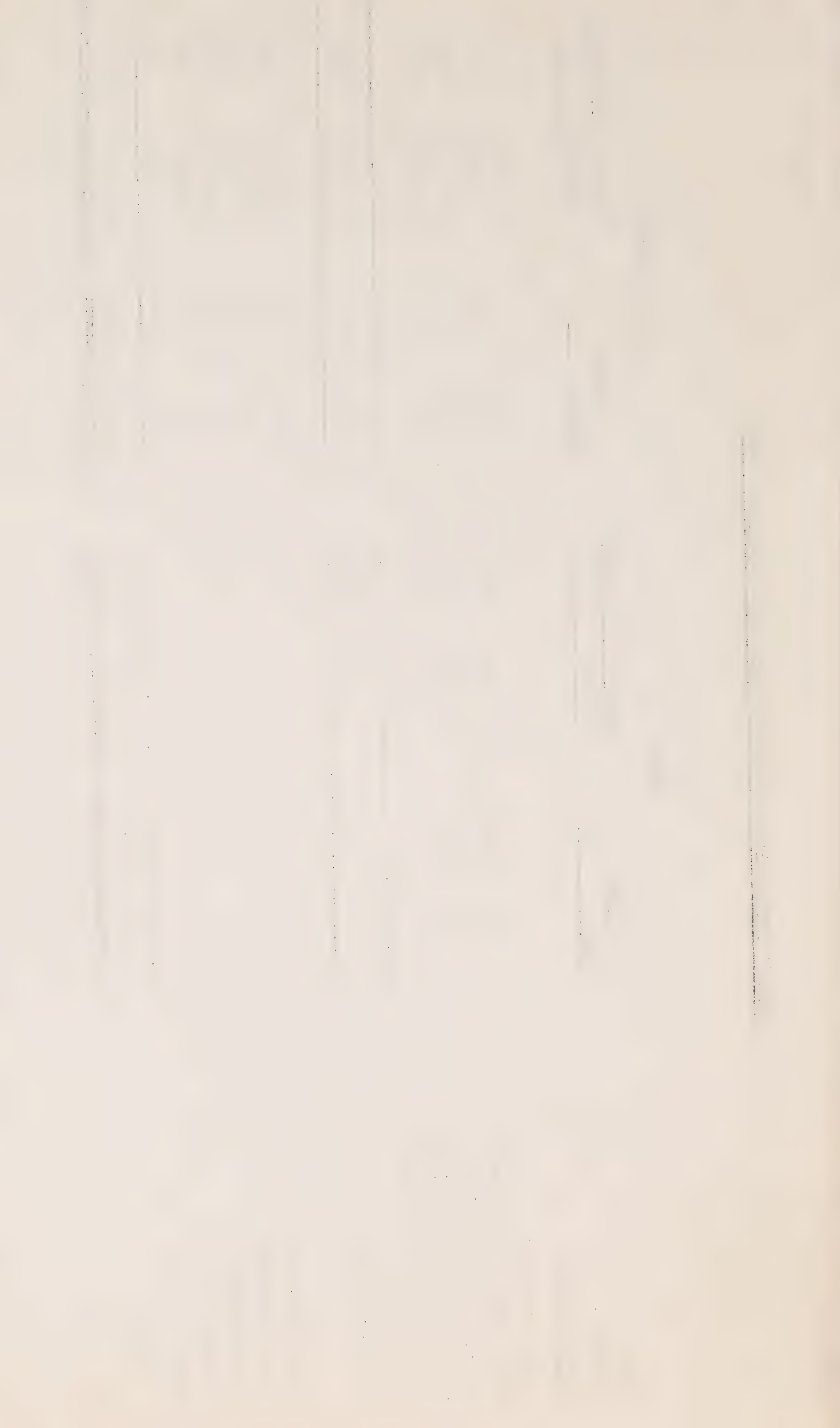
TABLE 5

NUMBER AND PERCENTAGE OF PENSION PLANS IN ONTARIO
BY TYPE OF ORGANIZATION WITH MEMBERSHIP BY SEX - 1976

Type of Employer Organization	<u>Plans</u>		<u>Members in Ontario</u>				<u>Total</u>	
			<u>Males</u>		<u>Females</u>			
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
Incorporated Company	7,524	86.4	599,070	54.0	170,949	36.9	770,019	49.0
Partnership	111	1.2	768		822	.1	1,590	.1
Sole Proprietorship	75	.8	346		76		422	
Association	351	4.0	3,934	.3	3,351	.7	7,285	.4
Co-operative	128	1.4	3,294	.2	950	.2	4,244	.2
Federal Government or Agency	22	.1	139,650	12.5	54,058	11.6	193,708	12.3
Provincial Government or Agency	33	.3	121,696	10.9	133,120	28.6	254,816	16.1
Municipal Government or Agency	69	.7	104,323	9.4	75,991	16.4	180,314	11.4
Multi-Employer	108	1.2	112,928	10.1	12,884	2.7	125,812	8.0
Other	281	3.2	21,928	1.9	11,048	2.3	32,976	2.0
TOTAL	8,702	100.0	1,107,937	100.0	463,249	100.0	1,571,186	100.0

FUNDING INSTRUMENT BY TYPE OF PLAN IN ONTARIO - 1976

Type of Plan	Insurance Company Contracts				Trusteed				Canadian Government Annuities			
	Plans		Ont. Members		Plans		Ont. Members		Plans		Ont. Members	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
UNIT BENEFIT												
Final Earnings	11	.1	415	.1	7	.3	1,292	.1				
Final Average Earnings	126	2.0	11,747	4.6	153	6.6	30,191	2.9				
Average Best Earnings	370	5.9	41,226	16.3	494	21.4	452,050	43.6				
Career Average Earnings	1,984	32.0	96,075	38.1	696	30.2	235,970	22.7	6	8.5	48	18.4
Level Percent of Earnings	8	.1	69		6	.2	319					
SUB-TOTAL	2,499	40.4	149,532	59.3	1,356	58.9	719,822	69.5	6	8.5	48	18.4
Money Purchase	3,165	51.2	62,582	24.8	352	15.2	20,742	2.0	51	72.8	155	59.6
Profit Sharing	53	.8	966	.3	80	3.4	9,879	.9				
Flat Benefit	246	3.9	30,348	12.0	445	19.3	265,744	25.6	13	18.5	57	21.9
Composite	134	2.1	6,820	2.7	43	1.8	10,842	1.0				
Other	84	1.3	1,610	.6	25	1.0	8,183	.7				
TOTAL	6,181	100.0	251,858	100.0	2,301	100.0	1,035,212	100.0	70	100.0	260	100.0



FUNDING INSTRUMENT: CONTRIBUTORY AND NON-CONTRIBUTORY
PLANS IN ONTARIO WITH MEMBERSHIP BY SEX - 1976

	<u>Plans</u>		<u>Members in Ontario</u>			
			<u>Males</u>		<u>Females</u>	
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
<u>Contributory Plans</u>						
<u>Insurance Company Contracts</u>						
Individual	394	6.0	1,233	1	320	1,553
Group Annuity	3,042	46.7	45,343	6.7	11,828	57,171
Deposit Administration	461	7.0	18,812	2.8	6,721	25,533
Segregated Fund	717	11.0	33,542	5.0	9,018	42,560
Combinations	468	7.1	30,250	4.5	12,950	43,200
SUB-TOTAL	5,082	78.1	129,180	19.3	40,837	170,017
16.4						
<u>Trusteed</u>						
Corporate Trustee	1,011	15.5	151,032	22.6	79,157	230,189
Individual Trustee	227	3.4	210,933	31.6	164,275	375,208
Pension Fund Society	11	.1	5,585	.8	5,287	10,872
Combinations	5		550		188	738
SUB-TOTAL	1,254	19.2	368,100	55.1	248,907	617,007
59.5						
Canadian Government Annuities	67	1.0	197		53	250
Combinations	93	1.4	13,124	1.9	5,096	18,220
Government Consolidated Revenue Fund	6		156,283	23.4	75,754	232,037
Other	5		113		80	193
1.7						
22.3						
TOTAL	6,507	100.0	666,997	100.0	370,727	1,037,724
100.0						

FUNDING INSTRUMENT: CONTRIBUTORY AND NON-CONTRIBUTORY
PLANS IN ONTARIO WITH MEMBERSHIP BY SEX - 1976

	Plans				Members in Ontario			
			Males		Females		Total	
	Number	%	Number	%	Number	%	Number	%
<u>Non-Contributory Plans</u>								
<u>Insurance Co. Contracts</u>								
Individual	196	8.9	468	.1	94	.1	562	.1
Group Annuity	418	19.0	6,428	1.4	1,968	2.1	8,396	1.5
Deposit Administration	164	7.4	18,108	4.1	3,751	4.0	21,859	4.0
Segregated Fund	196	8.9	35,531	8.0	4,797	5.1	40,328	7.5
Combinations	125	5.6	8,322	1.8	2,374	2.5	10,696	2.0
SUB-TOTAL	1,099	50.0	68,857	15.6	12,984	14.0	81,841	15.3
<u>Trusted</u>								
Corporate Trustee	907	41.3	272,018	61.6	47,817	51.6	319,835	59.9
Individual Trustee	127	5.7	69,179	15.8	19,318	20.8	89,037	16.6
Pension Fund Society	1		1,717	.3	3,760	4.0	5,477	1.0
Combinations	12	.5	3,555	.8	301	.3	3,856	.7
SUB-TOTAL	1,047	47.6	347,009	78.6	71,196	76.9	418,205	78.3
<u>Canadian Government Annuities</u>								
Combinations	3	.1	25,060	5.6	8,327	9.0	33,387	6.2
Government Consolidated Revenue Fund	44							
Other	2		9		10		19	
TOTAL	2,195	100.0	440,940	100.0	92,522	100.0	533,462	100.0

FUNDING INSTRUMENT: CONTRIBUTORY AND NON-CONTRIBUTORY
PLANS IN ONTARIO WITH MEMBERSHIP BY SEX - 1976

	Plans				Members in Ontario			
	All Plans		Insurance Company Contracts		Males		Females	
	Number	%	Number	%	Number	%	Number	%
Individual Group Annuity Deposit Administration Segregated Fund Combinations	590 3,460 625 913 593	6.7 39.7 7.1 10.4 6.8	1,701 51,771 36,920 69,073 38,572	.1 4.6 3.3 6.2 3.4	414 13,796 10,472 13,815 15,324	2.9 2.9 2.2 2.9 3.3	2,115 65,567 47,392 82,888 53,896	.1 4.1 3.0 5.2 3.4
SUB-TOTAL	6,181	71.0	198,037	17.8	53,821	11.6	251,858	16.0
Trusted								
Corporate Trustee	1,918	22.0	423,050	38.1	126,974	27.4	550,024	35.0
Individual Trustee	354	4.0	280,652	25.3	183,593	39.6	464,245	29.5
Pension Fund Society	12	.1	7,302	.6	9,047	1.9	16,349	1.0
Combinations	17	.1	4,105	.3	489	.1	4,594	.2
SUB-TOTAL	2,301	26.2	715,109	64.3	320,103	69.0	1,035,212	65.7
Canadian Government Annuities Combinations	70 137	.8 1.5	202 38,184	3.4	58 13,423	2.8	260 51,607	3.2
Government Consolidated Revenue Fund	6		156,283	14.1	75,754	16.3	232,037	14.7
Other	7		122		90		212	
TOTAL	8,702	100.0	1,107,937	100.0	463,249	100.0	1,571,186	100.0

PENSION PLANS IN ONTARIO BY TYPE OF PLAN
NUMBER AND PERCENTAGE OF PLANS AND MEMBERSHIP BY SEX - 1976

Type of Plan	Plans		Members in Ontario					
	Number	%	Males		Females		Total	
			Number	%	Number	%	Number	%
UNIT BENEFIT								
Final Earnings	18	.2	1,065		642	.1	1,707	.1
Final Average Earnings	288	3.3	29,075	2.6	14,218	3.0	43,293	2.7
Average Best Earnings	896	10.2	428,779	38.7	308,077	66.5	736,856	46.8
Career Average Earnings	2,737	31.4	262,268	23.6	90,651	19.5	352,919	22.4
Level	14	.1	345		43		388	
SUB-TOTAL	3,953	45.4	721,532	65.1	413,631	89.2	1,135,163	72.2
Money Purchase	3,601	41.3	73,370	6.6	10,969	2.3	84,339	5.3
Profit-Sharing	133	1.5	7,844	.7	3,001	.6	10,845	.6
Flat Benefit	723	8.3	282,836	25.5	30,060	6.4	312,896	19.9
Composite	181	2.0	14,344	1.2	3,705	.7	18,049	1.1
Other	111	1.2	8,011	.7	1,883	.4	9,894	.6
TOTAL	8,702	100.0	1,107,937	100.0	463,249	100.0	1,571,186	100.0

NORMAL RETIREMENT AGE IN THE PUBLIC AND PRIVATE SECTORS
PLANS AND MEMBERS IN ONTARIO - 1976

Normal Retirement Age	Public Sector				Private Sector				Both Sectors			
	Plans		Ont. Members		Plans		Ont. Members		Plans		Ont. Members	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Under 50												
50	1	.8	705	.1	1		74		2		779	
51												
52												
53												
54												
55												
56												
57												
58												
59												
60												
61	8	6.4	143,859	22.9	316	3.7	12,370	1.3	324	3.7	156,229	9.9
62					22	.3	7,098	.8	22	.3	7,098	.5
63					16	.2	12,577	1.3	16	.2	12,577	.8
64					3		900	.1	3		900	.1
65	96	76.8	318,964	50.7	7,374	86.0	842,742	89.4	7,470	85.8	1,161,706	73.9
66					4		903	.1	4		903	.1
67					6	.1	298		6	.1	298	
68					15	.2	1,643	.2	15	.2	1,643	.1
69	1	.8			1		1		2		2	
70	1	.8	1		68	.8	5,112	.5	69	.8	5,116	.3
Over 70					2		125		2		125	
Variable by Sex	12	9.6	4,201	.7	711	8.3	28,264	3.0	723	8.3	32,465	2.1
Other	5	4.0	161,002	25.6	29	.3	30,115	3.2	34	.4	191,117	12.2
TOTAL	125	100.0	628,853	100.0	8,577	100.0	942,333	100.0	8,702	100.0	1,571,186	100.0

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FOURTEENTH ANNUAL REPORT
OF
THE PENSION COMMISSION OF ONTARIO
FOR THE YEAR ENDING 31 MARCH, 1978.

The Pension Commission of Ontario,

10 Wellesley St. E., 2nd Floor, Toronto, Ontario. M7A 2K2

MEMBERS OF THE COMMISSION

Miss Donna J. Haley,	Chairman
Mr. D'Alton S. Rudd,	Vice-Chairman
Mr. Laurence E. Coward,	(resigned July 8, 1977)
Mr. Gordon Milling,	
Mr. Paul A. Kates,	
Mr. William J. Saunderson,	
Mr. E.B. (Ted) Priestner,	
Mr. J. Peter Kennedy,	
Mr. Barrie G. Sprawson,	(effective April 27, 1977)
Mr. Mark David Roy Brown,	(effective July 20, 1977)
Superintendent of Pensions	Mr. J. Wells Bentley
Executive Officer	Mr. Patrick W. Neale
Research & Investigative Officer	Mr. Hugh R. Tulloch

FOURTEENTH ANNUAL REPORT OF THE PENSION COMMISSION
OF ONTARIO, FOR THE YEAR ENDING 31 MARCH, 1978.

The Pension Commission of Ontario, established in August 1963, is charged with the administration and enforcement of The Pension Benefits Act. The Act, in force since 1 January, 1965, preserves pension entitlements for qualified members of a pension plan when they change jobs, establishes standards for solvency and regulates the investment of pension fund monies.

In broad terms, the legislation requires that:

Pension plans with members in Ontario must be registered with the Commission.

Pensions arising for service in Ontario or a designated province after January 1, 1965, or created under the plan after that date, must be fully vested in an employee after attaining the age of 45 years and having completed 10 or more years of service with his employer or 10 years of membership in a multi-employer pension plan.

Contributions made in respect of the above fully-vested pension may not, with certain exceptions, be withdrawn in cash.

The funding of the plan must be such as to meet the specified standards for solvency.

The investments of the funds of the pension plan must be within prescribed limits.

Members of the plan must receive written information as to their rights and duties under the plan and of the terms and conditions of the plan applicable to them.

The Pension Benefits Act has been in force for almost 14 years. The Commission's main responsibility is to ensure that pension plans meet the statutory conditions prescribed for solvency, for investment of pension funds and for the preservation of employee entitlements upon either termination of employment prior to retirement age or upon termination of a pension plan. This involves the examination of new plan documents filed for registration, amendments to existing pension plans and periodic reports such as the Annual Information Return and the triennial valuation and the report setting out the proposed distribution of the assets at the time of termination of a pension plan.

In Canada, as at March 31, 1978, the following jurisdictions have legislation in force which supervises and regulates private pension plans.

<u>Jurisdiction</u>	<u>Act</u>	<u>Effective date of Legislation</u>
Ontario	The Pension Benefits Act	January 1, 1965
Quebec	Supplemental Pension Plans Act	January 1, 1966
Alberta	The Pension Benefits Act	January 1, 1967
Federal Government	the Pension Benefits Standards Act	October 1, 1967
Saskatchewan	The Pension Benefits Act, 1967	January 1, 1969
Manitoba	The Pension Benefits Act	July 1, 1976
Nova Scotia	The Pension Benefits Act	January 1, 1977

All jurisdictions having pension legislation are signatories to a 'Memorandum of Reciprocal Agreement' which provides for registration and supervision of pension plans by one jurisdiction on behalf of the others. The effect of this agreement is that an employer, who has a pension plan covering employees in more than one jurisdiction having pension legislation, may register his pension plan with the jurisdiction where the plurality of members of the plan is located. The jurisdiction which supervises the plan does so for the other jurisdictions where plan members are located under the legislation of those jurisdictions. The agreements and the administration of the terms of the agreements work well because of the determined effort by all jurisdictions to maintain the maximum degree of uniformity in legislation and in administrative procedures.

One of the organizations which works effectively in maintaining uniformity is the Canadian Association of Pension Supervisory Authorities (C.A.P.S.A.). It was established in May of 1974 and has as its purposes:

1. To evaluate on a continuing basis the legislation in force and to recommend amendments to existing legislation.
2. To promote uniformity in legislation, its interpretation and administration.
3. To create a group identity, thereby furthering communications with other groups having an interest in private pension plans.
4. To allow members improved co-ordination in research programs, particularly with the view to avoiding duplication.
5. To establish and maintain relations with other organizations working towards similar objectives.
6. To provide an opportunity for the public to make representations.

During the calendar year 1977, the members of C.A.P.S.A. met on May 5th and May 6th in Ottawa and on October 26th and October 27th in Winnipeg. The major thrust of these meetings is to discuss recommendations for changes in legislation proposed by a jurisdiction, to maintain a high degree of uniformity and to maintain understanding between the jurisdictions.

A sub-committee of C.A.P.S.A. composed of the Superintendents of Pensions for each jurisdiction is active in maintaining the best possible degree of uniformity in administrative practices and in performing other duties as assigned by C.A.P.S.A.

The Pension Commission of Ontario continues to actively support C.A.P.S.A. in its endeavours and to put before C.A.P.S.A. any recommendation it may have and to consider and comment upon recommendations made by other jurisdictions to C.A.P.S.A.

The role of private pension plans in the provision of income replacement has been seriously questioned over the past few years. Individuals, the media and organizations have questioned apparent weaknesses and have requested the strengthening of private pension plans to ensure better protection for employee members of the plans. In Canada, during the last year, four

jurisdictions have had ongoing studies into the status of private plans.

In Ontario, the Royal Commission on the Status of Pensions in Ontario, has received many hundreds of briefs and has held public hearings starting in February and expected to continue until late May in 1978. In the Province of Quebec, and in the federal government, task forces were established to look into substantially the same matters. The Province of Alberta undertook a survey to study similar matters. In view of the fact that these studies and reports have been commissioned by a number of jurisdictions, it is the opinion of the Pension Commission that no major recommendations should be made about the existing legislation until these reports have been received and studied.

The Commission continues to deal with new applications for registration, with amendments to pension plans, with the terms of mergers and acquisitions of companies having pension plans and with terminations or winding-up of plans. Actuarial valuation reports and cost certificates are examined closely to ensure that the assumptions and methods used are acceptable to the Commission. When dealing with any of the situations described above the staff of the Commission must be satisfied that the plans meet and continue to meet the requirements of the Act and the regulations. As well, when a plan has members in more than one jurisdiction, the staff must be satisfied that the plan meets the requirements of the legislation of those jurisdictions in which other employee members are located.

The staff of the Commission deal with a number of complaints and enquiries from members of pension plans, or their representatives, from employers and labour unions. The issues that are raised range through the present rules for vesting and locking-in to funding arrangements and investment of pension

fund monies. During the past 12 months the Commission received 156 written enquiries and requests and over 3,620 telephone enquiries. About 130 visits were made to the Commission's offices by employees or their representatives.

The Commission is composed of nine members. Mr. Laurence E. Coward, who had been a member of the Commission since August, 1963, and who was full-time Chairman from August 1963 until August 1965, resigned on July 8, 1977. Two new members were appointed to the Commission during the year. Mr. Barrie G. Sprawson was appointed for a period of three years, effective from April 27, 1977 to April 26, 1980. Mr. Mark David Roy Brown was appointed for a period of three years, effective from July 20, 1977 to July 19, 1980.

During the year, the Commission held 25 regular meetings. In addition, some of the members attended special meetings with representatives of other groups.

During the period April 1, 1977 to March 31, 1978, 290 plans covering 15,984 members were registered by the Commission. In the same period 412 plans covering 6,899 members were terminated. As at March 31, 1978, 7,641 plans covering approximately 1,134,000 members are supervised by the Commission. The figures exclude membership and plans supervised on behalf of the Commission by other jurisdictions, as described in page 2.

The administrative and clerical staff of the Commission numbers 21, the same as the previous year. The Commission is financed by monies appropriated by the legislature from the Consolidated Revenue Fund and by fees charged to employers for the registration of pension plans and the filing of Annual Information Returns. The cost of operating the Commission for the period April 1, 1977 to March 31, 1978 was \$395,252. Receipts from fees charged for registration and filing of Annual Information Returns amounted to \$351,445.

In co-operation with the Provinces of Quebec, Alberta, Saskatchewan and Ontario, the Department of Insurance and Statistics Canada of the federal government, a pension "data bank" was developed at Statistics Canada. Each of the jurisdictions in Canada, having pension legislation, provides regular up-dating of information to Statistics Canada from the documentation provided to it respecting new pension plans, amendments to existing plans and annual information concerning the number of employee members.

Exhibit "A"

PENSION COMMISSION
OF
ONTARIO

PENSION PLANS
I N
O N T A R I O

1 9 7 7

Introduction

This report is the third to be produced by the Pension Commission of Ontario from information stored in the "data bank" developed at Statistics Canada. It is anticipated that the tables produced will be up-dated yearly.

The information provided in the accompanying tables relates to members of plans who are located in Ontario. Some of the plans will have members located in other jurisdictions, but membership relates only to Ontario. However, the information provided in the accompanying tables may be compared with information published by other jurisdictions in Canada and with the report published by Statistics Canada entitled "Pension Plans in Canada". To ensure uniformity and consistency of interpretation in recording the complex characteristics of pension plans a common conceptual and statistical framework was developed for use by Statistics Canada and the jurisdictions having pension legislation. Requests for data available but currently excluded will be met on request.

Commentary on Statistical Tables

TABLE 1

Under the terms of reciprocal agreements between the provinces having pension legislation, the responsibility for supervision of the plan rests with the jurisdiction wherein the plurality of members is employed. Similarly, supervision of a plan by the federal government or a province depends on whether the majority of members covered is subject to federal or provincial labour laws.

This table shows the jurisdiction supervising plans having members in Ontario. The total number of members located in Ontario is 1,608,000 covered by 8,590 pension plans. The Pension Commission supervises 7,516 plans covering 1,263,000 members.

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The province of Quebec supervises 650 plans having 49,000 employees in Ontario. Saskatchewan supervises 24 plans covering 500 members in Ontario, Alberta, 99 plans with 4,000 Ontario members, the federal government 289 plans with 136,000 members, Manitoba 15 plans with 300 members, and Nova Scotia 1 plan with 2 members. It should be noted that 10 plans are subject to dual registration by the Quebec Pension Board and the federal Department of Insurance. A further 6 plans covering 157,000 members in Ontario are not subject to pension legislation. These include, among others, the plans of the Public Service of Canada, the Armed Forces, R.C.M.P. and Members of Parliament.

The number of plans has decreased slightly, with an increase of 37,000 members between 1976 and 1977.

TABLE 3

It will be noted that in this table plans are shown by membership-size group, but the number of members shown is less than the number shown in the size group. As an example, under the contributory plan listing, private sector, 1 plan is shown as being in the 30,000 and over size group, but only 8,865 members are shown. This is because the size group of the plan is determined by the total number of members in the plan, regardless of where the members are located. The number of members shown is those located in Ontario.

This table also shows membership in the public and private sectors. In this table the public sector plans are those plans for employees of federal, provincial and municipal governments, crown corporations, and teachers (excluding those employed by private elementary and secondary schools and teaching and non-teaching staff of most universities).

NUMBER AND PERCENTAGE OF PENSION PLANS AND MEMBERSHIP
IN ONTARIO BY JURISDICTION AND MEMBERSHIP-SIZE GROUP - 1977

Membership Size Group	Under Ontario Supervision				Under Quebec Supervision*				Under Alberta Supervision			
	Plans		Ont. Members		Plans		Ont. Members		Plans		Ont. Members	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Less than 5												
5 -	9	24.9	4,216	.3	17	2.6	19	.0	1	1.0	2	.0
10 -	14	16.7	8,163	.6	44	6.7	81	.1	7	7.0	17	.4
15 -	49	10.0	8,490	.6	48	7.3	122	.2	4	4.0	6	.1
50 -	99	22.6	41,818	3.3	194	29.8	962	1.9	26	26.2	144	3.8
100 -	99	8.6	39,617	3.1	96	14.7	1,105	2.2	16	16.1	215	5.7
500 -	499	12.0	163,149	12.9	174	26.7	6,134	12.5	26	26.2	1,274	34.2
1,000 -	999	2.2	95,507	7.5	34	5.2	4,809	9.7	7	7.0	938	25.2
1,000 -	1,999	1.3	111,461	8.8	23	3.5	7,079	14.4	7	7.0	301	8.1
2,000 -	9,999	1.0	225,124	17.8	19	2.9	19,865	40.4	5	5.0	818	22.0
10,000 -	29,999	.1	192,010	15.1	1	.1	8,896	18.1		.0		.0
30,000 AND OVER	4	.0	373,920	29.5		.0		.0		.0		.0
TOTAL	7,516	100.0	1,263,475	100.0	650	100.0	49,072	100.0	99	100.0	3,715	100.0

NUMBER AND PERCENTAGE OF PENSION PLANS AND MEMBERSHIP
IN ONTARIO BY JURISDICTION AND MEMBERSHIP-SIZE GROUP - 1977

Membership Size Group	Under Saskatchewan Supervision				Under Federal Supervision*				Under Manitoba Supervision			
	Plans		Ont. Members		Plans		Ont. Members		Plans		Ont. Members	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Less than 5	4	.0		.0	27	9.3	54	.0		.0		.0
5 - 10	4	16.6	6	1.2	27	9.3	162	.1		.0		.0
10 - 15	2	8.3	5	1.0	21	7.2	194	.1		.0		.0
15 - 50	4	16.6	16	3.4	78	26.9	1,339	1.1	4	26.6	10	3.6
50 - 100	3	12.5	21	4.5	34	11.7	1,336	.9	5	33.3	47	17.2
100 - 500	5	20.8	101	21.8	50	17.3	6,501	4.7	5	33.3	50	18.3
500 - 1,000	5	20.8	263	56.9	17	5.8	3,697	2.7	1	6.6	165	60.6
1,000 - 2,000	-	.0		.0	11	3.8	8,647	6.3		.0		.0
2,000 - 9,999	-	.0		.0	15	5.1	23,700	17.4		.0		.0
10,000 - 29,999	1	4.1	50	10.8	6	2.0	34,909	25.6		.0		.0
30,000 AND OVER		.0		.0	3	1.0	55,191	40.6		.0		.0
TOTAL	24	100.0	462	100.0	289	100.0	135,930	100.0	15	100.0	272	100.0

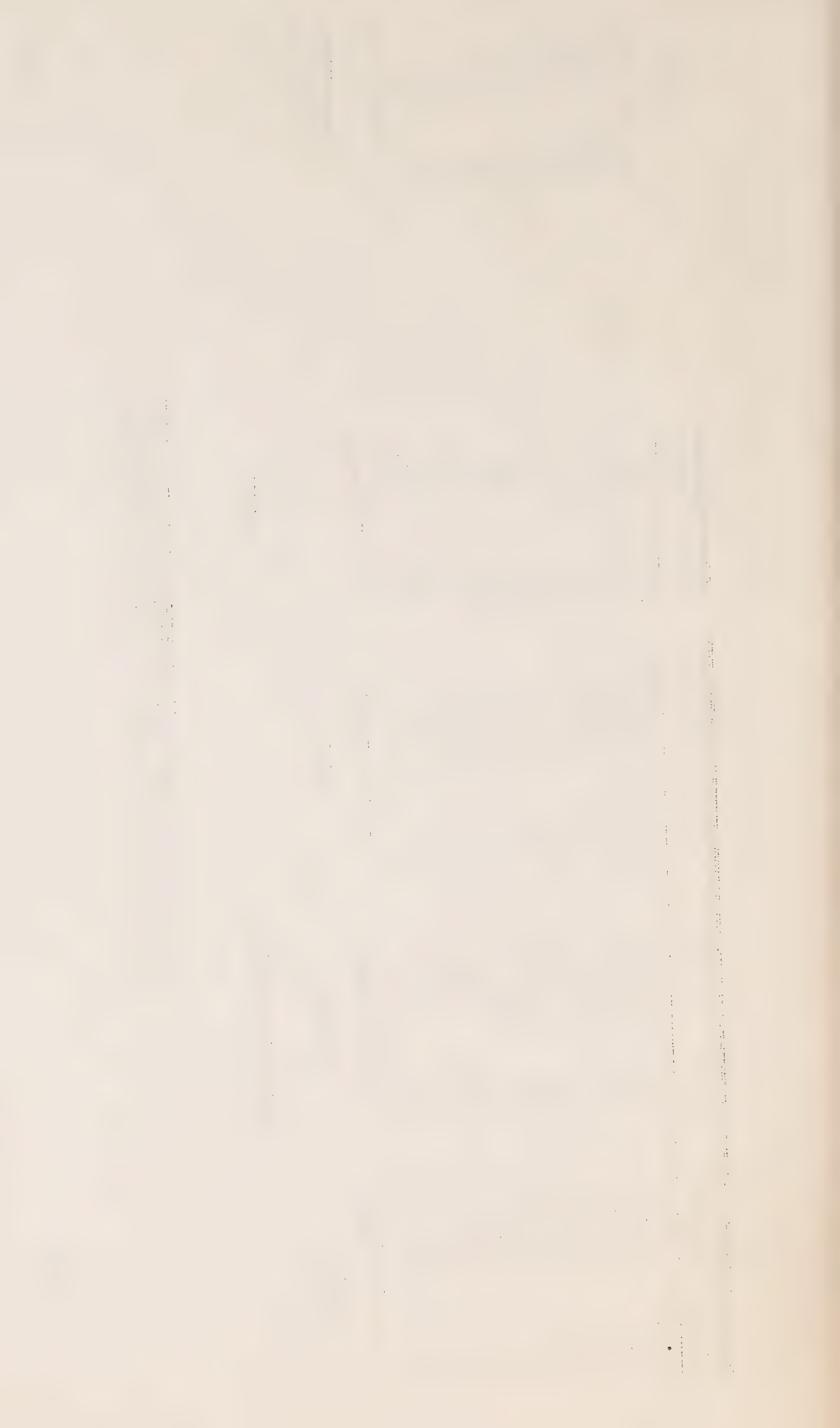
NUMBER AND PERCENTAGE OF PENSION PLANS AND MEMBERSHIP
IN ONTARIO BY JURISDICTION AND MEMBERSHIP-SIZE GROUP - 1972

Membership Size Group	Under Nova Scotia Supervision				Not subject to pension legislation but having members in Ontario				Total			
	Plans		Ont. Members		Plans		Ont. Members		Plans		Ont. Members	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Less than 5		.0		.0		.0		.0	1,919	22.3	4,291	.2
5 -	9	.0		.0		.0		.0	1,344	15.6	8,429	.5
10 -	14	.0		.0		.0		.0	832	9.6	8,815	.5
15 -	49	.0		.0		.0		.0	2,010	23.3	44,493	2.7
50 -	99	.0		.0		.0		.0	805	9.3	42,328	2.6
100 -	499	.0		.0	3	.0	571	.3	1,163	13.5	177,620	11.0
500 -	999	.0		.0		.0		.0	227	2.6	104,525	6.5
1,000 -	999	.0		.0		.0		.0	140	1.6	126,263	7.8
2,000 -	1,999	.0		.0		.0		.0	118	1.3	269,557	16.7
10,000 -	9,999	.0		.0	1	.0	3,520	2.2	23	.2	239,335	14.8
30,000 AND OVER	29,999	.0		.0	2	.0	3,204	97.3	9	.1	582,315	36.2
TOTAL	1	100.0	2	100.0	6	100.0	157,295	100.0	8,590	100.0	1,607,971	100.0

* There are 10 pension plans with members in Ontario subject to dual supervision by the Quebec Pension Board and the Department of Insurance, Ottawa.

NUMBER AND PERCENTAGE OF PENSION PLANS AND MEMBERS
IN ONTARIO BY MEMBERSHIP-SIZE GROUP AND SEX - 1977

Membership Size Group	Plans		Members in Ontario			
			Males		Females	
	Number	%	Number	%	Number	%
Less than 5	9	22.3	3,403	.2	888	.1
5 -	14	15.6	6,651	.5	1,778	.3
10 -	49	9.6	6,929	.6	1,886	.4
15 -	99	23.3	35,062	3.0	9,431	2.0
50 -	99	9.3	32,503	2.8	9,825	2.1
100 -	199	7.0	46,734	4.0	13,285	2.8
200 -	561	6.5	91,239	7.9	26,362	5.6
500 -	227	2.6	81,160	7.1	23,365	5.0
1,000 -	140	1.6	97,816	8.5	28,447	6.0
2,000 -	52	.6	49,336	4.3	21,554	4.6
3,000 -	21	.2	33,614	2.9	4,767	1.0
4,000 -	13	.1	32,801	2.8	4,749	1.0
5,000 -	32	.3	106,588	9.3	16,148	3.4
10,000 AND OVER	32	.3	517,169	45.3	304,481	65.2
TOTAL	8,590	100.0	1,141,005	100.0	466,966	100.0
					1,607,971	100.0



MEMBERSHIP IN ONTARIO IN CONTRIBUTORY AND NON-CONTRIBUTORY PLANS
BY PUBLIC AND PRIVATE SECTORS AND BY MEMBERSHIP-SIZE GROUP - 1977

Membership Size Group	Contributory				Non-Contributory				Total			
	Plans		Ont. Members		Plans		Ont. Members		Plans		Ont. Members	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Public Sector												
Less than 5	21	18.4	45	.0	2	40.0	4	.1	23	19.3	49	.0
5 -	15	13.1	105	.0					15	12.6	105	.0
10 -	5	4.3	62	.0					5	4.2	62	.0
15 -	19	16.6	522	.0					19	15.9	522	.0
50 -	4	3.5	279	.0					4	3.3	279	.0
100 -	16	14.0	4,020	.6					16	13.4	4,020	.6
500 -	7	6.1	3,968	.6					7	5.8	3,968	.6
1,000 -	9	7.8	10,691	1.7	1	20.0	707	24.0	10	8.4	11,398	1.8
2,000 -	7	6.1	23,108	3.7	2	40.0	2,227	75.7	9	7.5	25,335	4.0
10,000 -	4	3.5	32,567	5.2					4	3.3	32,567	5.2
30,000 AND OVER	7	6.1	545,745	87.8					7	5.8	545,745	87.4
TOTAL	114	100.0	621,112	100.0	5	100.0	2,938	100.0	119	100.0	624,050	100.0
Private Sector												
Less than 5	1,388	22.2	3,307	.7	508	22.8	935	.1	1,896	22.3	4,242	.4
5 -	1,150	18.4	7,224	1.7	179	8.0	1,100	.1	1,329	15.6	8,324	.8
10 -	692	11.0	7,354	1.7	135	6.0	1,399	.2	827	9.7	8,753	.8
15 -	1,516	24.2	32,785	7.9	475	21.3	11,186	1.9	1,991	23.5	43,751	4.4
50 -	557	8.9	27,097	6.5	244	10.9	14,952	1.6	801	9.4	42,049	4.2
100 -	685	10.9	87,917	21.2	462	20.7	85,683	15.0	1,147	13.5	173,600	17.6
500 -	124	1.9	52,268	12.6	96	4.3	48,289	8.4	220	2.5	110,557	10.2
1,000 -	75	1.2	59,164	14.2	55	2.4	55,701	9.7	130	1.5	114,865	11.6
2,000 -	50	.8	91,117	21.9	59	2.6	153,105	26.8	109	1.2	244,222	24.8
10,000 -	5	.0	32,520	9.0	14	.6	160,248	29.7	19	.2	206,768	27.1

MEMBERSHIP IN ONTARIO IN CONTRIBUTORY AND NON-CONTRIBUTORY PLANS
BY PUBLIC AND PRIVATE SECTORS AND BY MEMBERSHIP-SIZE GROUP - 1977

Membership Size Group	Contributory				Non-Contributory				Total			
	Plans		Ont. Members		Plans		Ont. Members		Plans		Ont. Members	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Both Sectors												
Less than 5	1,409	22.1	3,352	.3	2	40.0	4	.1	1,919	22.3	4,291	.2
5 -	1,165	18.3	7,329	.7					1,344	15.6	8,429	.5
10 -	697	10.9	7,416	.7					832	9.6	8,815	.5
15 -	1,535	24.1	33,307	3.2					2,010	23.3	44,493	2.7
50 -	561	8.8	27,376	2.6					805	9.3	42,328	2.6
100 -	701	11.0	91,937	8.8					1,163	13.5	177,620	11.0
500 -	131	2.0	56,236	5.4					227	2.6	104,525	6.5
1,000 -	84	1.3	69,855	6.7	1	20.0	707	24.0	140	1.6	126,263	7.8
2,000 -	57	.8	114,225	11.0	2	40.0	2,227	75.7	118	1.3	269,557	16.7
10,000 -	9	.1	70,087	6.7					23	.2	239,335	14.8
30,000 AND OVER	8	.1	554,610	53.5					9	.1	582,315	36.2
TOTAL	6,357	100.0	1,035,730	100.0	5	100.0	2,938	100.0	8,590	100.0	1,607,971	100.0

NUMBER AND PERCENTAGE OF PENSION PLANS BY INDUSTRY
WITH ONTARIO MEMBERSHIP BY SEX - 1977

Industry	Plans		Males		Members in Ontario		Females		Total	
	Number	%	Number	%	Number	%	Number	%	Number	%
Agriculture	47	.5	712	3.1	112	1.9	824	2.7		
Forestry	8		132	.1	1	.1	133	.1		
Mining	118	1.3	37,625	3.2	2,147	.4	39,772	2.4		
Manufacturing										
Food and Beverages	332	3.8	35,695	3.1	9,080	1.9	44,775	2.7		
Tobacco Products	11	.1	1,587	.1	604	.1	2,191	.1		
Rubber Industries	39	.4	14,946	1.3	2,397	.5	17,343	1.0		
Leather	40	.4	2,125	.1	1,059	.2	3,184	.1		
Textile	101	1.1	3,678	.3	2,130	.4	5,808	.3		
Knitting Mills	25	.2	353	.0	447	.0	800	.0		
Clothing	58	.6	2,462	.2	4,805	1.0	7,267	.4		
Wood	65	.7	1,851	.1	267	.0	2,118	.1		
Furniture and Fixtures	77	.8	3,857	.3	1,264	.2	5,121	.3		
Paper and Allied Industries	142	1.6	29,493	2.5	3,328	.7	32,821	2.0		
Printing and Publishing	283	3.2	22,253	1.9	5,118	1.0	27,371	1.7		
Primary Metals	128	1.4	51,018	4.4	2,863	.6	53,881	3.3		
Metal Fabricating	558	6.4	39,971	3.5	5,432	1.1	45,403	2.8		
Machinery	290	3.3	40,184	3.5	5,635	1.2	45,819	2.8		
Transportation Equipment	197	2.2	97,484	8.5	9,985	2.1	107,469	6.6		
Electrical Products	226	2.6	41,802	3.6	16,038	3.4	57,840	3.5		
Non-Metallic Mineral Products	128	1.4	13,018	1.1	2,049	.4	15,067	.9		
Petroleum and Coal Products	14	.1	9,780	.8	2,799	.5	12,579	.7		
Chemical	283	3.2	28,133	2.4	7,186	1.5	35,319	2.1		
Miscellaneous	262	3.0	10,779	.9	4,996	1.0	15,775	.9		
Construction	511	5.9	72,570	6.3	1,063	.2	73,633	4.5		
Transportation and Communication	445	5.1	110,542	9.6	26,581	5.6	137,123	8.5		
Trade										
Wholesale	1,350	15.7	31,296	2.7	7,783	1.6	39,079	2.4		
Retail	667	7.7	28,835	2.5	22,340	4.7	51,175	3.1		
Finance, Insurance & Real Estate	659	7.6	38,608	3.3	43,070	9.2	81,678	5.0		
Community Business & Personal Serv.	1,466	17.0	132,014	11.5	162,382	34.7	294,396	18.3		
Public Administration & Defense	60	.6	238,202	20.8	114,005	24.4	352,207	21.9		

NUMBER AND PERCENTAGE OF PENSION PLANS IN ONTARIO
BY TYPE OF ORGANIZATION WITH MEMBERSHIP BY SEX - 1972

Type of Employer Organization	Plans				Members in Ontario			
			Males		Females		Total	
	Number	%	Number	%	Number	%	Number	%
Incorporated Company	7,414	86.3	616,635	54.0	179,068	38.3	795,703	49.4
Partnership	109	1.2	775		826	.1	1,601	
Sole Proprietorship	69	.8	306		74		380	
Association	364	4.2	4,299	.3	3,803	.8	8,102	.5
Co-operative	127	1.4	3,329	.2	1,105	.2	4,434	.2
Federal Government or Agency	23	.1	137,583	11.9	56,346	12.0	193,929	11.9
Provincial Government or Agency	24	.2	121,607	10.5	116,617	24.8	238,224	14.7
Municipal Government or Agency	70	.7	109,122	9.5	82,655	17.6	191,777	11.8
Multi-Employer	109	1.2	123,664	10.8	13,074	2.7	136,738	8.5
Other	281	3.2	23,685	2.0	13,398	2.8	37,083	2.3
TOTAL	8,590	100.0	1,141,005	100.0	466,966	100.0	1,607,971	100.0

FUNDING INSTRUMENT BY TYPE OF PLAN IN ONTARIO - 1977

Type of Plan	Insurance Company Contracts				Trusteed				Annuities Branch Contracts			
	Plans		Ont. Members		Plans		Ont. Members		Plans		Ont. Members	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
UNIT BENEFIT												
Final Earnings	11	.1	583	.2	7	.3	1,556	.1				
Final Average Earnings	125	2.0	11,328	4.4	146	6.4	27,124	2.5				
Average Best Earnings	424	6.9	40,439	15.7	533	23.4	464,174	43.7				
Career Average Earnings	1,948	31.8	96,057	37.3	673	29.5	240,907	22.6	6	10.7	40	20.0
Level Percent of Earnings	6		17		6	.2	281					
SUB-TOTAL	2,514	41.1	148,424	57.6	1,365	60.0	734,042	69.1	6	10.7	40	20.0
Money Purchase	3,067	50.2	66,222	25.7	306	13.5	20,211	1.9	38	67.8	109	54.5
Profit Sharing	46	.7	1,050	.4	72	3.1	9,832	.9				
Flat Benefit	271	4.4	33,518	13.0	466	20.4	279,564	26.3	12	21.4	51	25.5
Composite	129	2.1	6,784	2.6	40	1.7	11,447	1.0				
Other	82	1.3	1,449	.5	23	1.0	6,250	.5				

FUNDING INSTRUMENT BY TYPE OF PLAN IN ONTARIO - 1977

	<u>Combinations</u>				<u>Government Consolidated Revenue Funds</u>			
	<u>Plans</u>		<u>Members in Ontario</u>		<u>Plans</u>		<u>Members in Ontario</u>	
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
<u>UNIT BENEFIT</u>								
Final Earnings								
Final Average Earnings	7	5.0	1,555	2.7				
Average Best Earnings	27	19.5	14,342	25.1	4	66.6	231,252	99.7
Career Average Earnings	45	32.6	20,970	36.7	2	33.3	465	.2
Level Percent of Earnings								
SUB-TOTAL	79	57.2	36,867	64.6	6	100.0	231,717	100.0
Money Purchase	32	23.1	854	1.4				
Profit-Sharing								
Flat Benefit	19	13.7	18,356	32.1				
Composite	4	2.8	314	.5				
Other	4	2.8	664	1.1				
TOTAL	138	100.0	57,055	100.0	6	100.0	231,717	100.0

FUNDING INSTRUMENT BY TYPE OF PLAN IN ONTARIO - 1977

Type of Plan	Other				Total			
	Plans		Members in Ontario		Plans		Members in Ontario	
	Number	%	Number	%	Number	%	Number	%
<u>UNIT BENEFIT</u>								
Final Earnings					18	.2	2,139	.1
Final Average Earnings	3	42.8	125	60.6	281	3.2	40,132	2.4
Average Best Earnings	1	14.2	13	6.3	989	11.5	750,220	46.6
Career Average Earnings	1	14.2	60	29.1	2,675	31.1	358,499	22.2
Level Percent of Earnings					12	.1	298	
SUB-TOTAL	5	71.4	198	96.1	3,975	46.2	1,151,288	71.5
Money Purchase	1	14.2	7	3.3	3,446	40.1	87,403	5.4
Profit-Sharing					118	1.3	10,882	.6
Flat Benefit	1	14.2	1	.4	769	8.9	331,490	20.6
Composite					173	2.0	18,545	1.1
Other					109	1.2	8,363	.5
TOTAL	7	100.0	206	100.0	8,590	100.0	1,607,971	100.0

FUNDING INSTRUMENT: CONTRIBUTORY AND NON-CONTRIBUTORY
PLANS IN ONTARIO WITH MEMBERSHIP BY SEX - 1977

	Members in Ontario			
	<u>Males</u>		<u>Females</u>	
	<u>Plans</u>	<u>Number</u> %	<u>Number</u> %	<u>Total</u> Number %
<u>Contributory Plans</u>				
<u>Insurance Company Contracts</u>				
Individual				
Group Annuity	354	5.5	1,100	.1
Deposit Administration	2,860	44.9	40,247	6.0
Segregated Fund	521	8.1	17,829	2.6
Combinations	736	11.5	34,238	5.1
	518	8.1	32,555	4.8
SUB-TOTAL	4,989	78.4	125,969	18.8
			42,170	11.5
			168,139	16.2
<u>Trusted</u>				
Corporate Trustee				
Individual Trustee	967	15.2	153,680	22.9
Pension Fund Society	227	3.5	213,937	31.9
Combinations	11	.1	5,895	.8
	7	.1	2,156	.3
SUB-TOTAL	1,212	19.0	375,668	56.1
			240,231	65.5
			615,899	59.4
<u>The Annuities Branch</u>				
Combinations	53	.8	150	.0
Government Consolidated Revenue Fund	92	1.4	12,658	1.8
Other	6	.0	154,639	23.1
	5	.0	107	.0
SUB-TOTAL	151	2.2	316,405	47.9
			19,599	1.8
			231,717	22.3
			186	.0
TOTAL	6,357	100.0	669,191	100.0
			366,539	100.0
			1,035,730	100.0

FUNDING INSTRUMENT: CONTRIBUTORY AND NON-CONTRIBUTORY
PLANS IN ONTARIO WITH MEMBERSHIP BY SEX - 1977

	<u>Plans</u>		<u>Members in Ontario</u>		<u>Total</u>	
	<u>Males</u>		<u>Females</u>		<u>Number</u>	
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
<u>Non-Contributory Plans</u>						
<u>Insurance Co. Contracts</u>						
Individual	175	7.8	413	.0	494	.0
Group Annuity	385	17.2	5,963	1.2	7,796	1.3
Deposit Administration	188	8.4	16,806	3.5	21,834	3.8
Segregated Fund	231	10.3	41,435	8.7	47,206	8.2
Combinations	141	6.3	9,346	1.9	11,978	2.0
SUB-TOTAL	1,120	50.1	73,963	15.6	89,308	15.6
<u>Trusted</u>						
Corporate Trustee	913	40.8	287,303	60.8	337,770	59.0
Individual Trustee	136	6.0	73,010	15.4	94,011	16.4
Pension Fund Society	1	.0	1,773	.3	5,750	1.0
Combinations	12	.5	7,154	1.5	7,916	1.3
SUB-TOTAL	1,062	47.5	369,240	78.2	445,447	77.8
The Annuities Branch	3	.1	5	.0	10	.0
Combinations	46	2.0	28,596	6.0	37,456	6.5
Government Consolidated Revenue Fund	2	.0	10	.0	20	.0
Other						
TOTAL	2,233	100.0	471,814	100.0	572,241	100.0

FUNDING INSTRUMENT: CONTRIBUTORY AND NON-CONTRIBUTORY
PLANS IN ONTARIO WITH MEMBERSHIP BY SEX - 1977

		Plans		Members in Ontario					
				Males		Females		Total	
		Number	%	Number	%	Number	%	Number	%
<u>All Plans</u>									
<u>Insurance Company Contracts</u>									
Individual Group Annuity	529	6.1	1,513	.1	405	.0	1,918	.1	
Deposit Administration	3,245	37.7	46,210	4.0	13,252	2.8	59,462	3.6	
Segregated Fund Combinations	709	8.2	34,635	3.0	12,798	2.7	47,433	2.9	
	967	11.2	75,673	6.6	15,342	3.2	91,015	5.6	
	659	7.6	41,901	3.6	15,718	3.3	57,619	3.5	
SUB-TOTAL	6,109	71.1	199,932	17.5	57,515	12.3	257,447	16.0	
<u>Trusted</u>									
Corporate Trustee	1,880	21.8	440,983	38.6	135,862	29.0	576,845	35.8	
Individual Trustee	363	4.2	286,947	25.1	169,719	36.3	456,666	28.4	
Pension Fund Society	12	.1	7,668	.6	9,641	2.0	17,309	1.0	
Combinations	19	.2	9,310	.8	1,216	.2	10,526	.6	
SUB-TOTAL	2,274	26.4	744,908	65.2	316,438	67.7	1,061,346	66.0	
<u>The Annuities Branch</u>									
Combinations	56	.6	155	.0	45	.0	200	.0	
Government Consolidated Revenue Fund	138	1.6	41,254	3.6	15,801	3.3	57,055	3.5	
Other	6	.0	154,639	13.5	77,078	16.5	231,717	14.4	
	7	.0	117	.0	89	.0	206	.0	
TOTAL	8,590	100.0	1,141,005	100.0	466,966	100.0	1,607,971	100.0	

PENSION PLANS IN ONTARIO BY TYPE OF PLAN
NUMBER AND PERCENTAGE OF PLANS AND MEMBERSHIP BY SEX - 1977

Type of Plan	Members in Ontario							
	Plans		Males		Females		Total	
	Number	%	Number	%	Number	%	Number	%
<u>UNIT BENEFIT</u>								
Final Earnings	18	.2	1,259	.1	880	.1	2,139	.1
Final Average Earnings	281	3.2	28,727	2.5	11,405	2.4	40,132	2.4
Average Best Earnings	989	11.5	443,931	38.9	306,289	65.5	750,220	46.6
Career Average Earnings	2,675	31.1	261,751	22.9	96,748	20.7	358,499	22.2
Level Percentage of Earnings	12	.1	281	.0	17	.0	298	.0
SUB-TOTAL	3,975	46.2	735,949	64.5	415,339	88.9	1,151,288	71.5
Money Purchase	3,446	40.1	75,896	6.6	11,507	2.4	87,403	5.4
Profit-Sharing	118	1.3	7,714	.6	3,168	.6	10,882	.6
Flat Benefit	769	8.9	299,881	26.2	31,609	6.7	331,490	20.6
Composite	173	2.0	14,929	1.3	3,616	.7	18,545	1.1
Other	109	1.2	6,636	.5	1,727	.3	8,363	.5
TOTAL	8,590	100.0	1,141,005	100.0	466,966	100.0	1,607,971	100.0

NORMAL RETIREMENT AGE IN THE PUBLIC AND PRIVATE SECTORS
PLANS AND MEMBERS IN ONTARIO - 1977

Normal Retirement Age	Public Sector				Private Sector				Both Sectors			
	Plans		Ont. Members		Plans		Ont. Members		Plans		Ont. Members	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Under 50												
50	1	.8	707	.1	1	.0	73	.0	2	.0	780	.0
51												
52												
53												
54												
55												
56												
57												
58												
59	1	.8	117	.0	8	.1	94	.0	9	.1	211	.0
60												
61	8	6.7	144,864	23.2	324	3.8	13,556	1.4	332	3.9	158,420	9.9
62					2	.0	12	.0	2	.0	12	.0
63					22	.3	6,484	.7	22	.3	6,484	.4
64					14	.2	9,080	.9	14	.2	9,080	.6
65					4	.0	1,139	.1	4	.0	1,139	.1
66	94	79.0	308,406	49.4	7,567	89.3	899,648	91.4	7,661	89.2	1,208,054	75.1
67					3	.0	210	.0	3	.0	210	.0
68					6	.1	285	.6	6	.1	285	.0
69					14	.2	1,565	.2	14	.2	1,565	.1
70					1	.0	1	.0	2	.0	2	.0
Over 70	1	.8	1	.0	55	.6	2,766	.3	56	.7	2,769	.2
Variable by Sex	8	6.7	4,233	.7	2	.0	140	.0	2	.0	140	.0
Other	5	4.2	165,719	26.6	423	5.0	17,075	1.7	431	5.0	21,308	1.3
TOTAL	119	100.0	624,050	100.0	8,471	100.0	983,921	100.0	8,590	100.0	1,607,971	100.0

